

JPRS-LAM-84-082

10 July 1984

# Latin America Report

**FBIS** FOREIGN BROADCAST INFORMATION SERVICE

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

10 July 1984

## LATIN AMERICA REPORT

## CONTENTS

## COUNTRY SECTION

## INTER-AMERICAN AFFAIRS

Argentina Interested in Bolivia's Mutun Project (EL MUNDO, 25 May 84).....	1
Bolivia, Peru, Brazil Officials Discuss Border Projects (PRESENCIA, 28 May 84).....	3
Briefs	
Mexico: Peruvian Rebels Arrested	4

## ARGENTINA

Centrist Leadership Calls on Moderates To Form National Alliance (Various sources, various dates).....	5
Joint Document Issued	
Single Entity Urged	
Representatives Continue Negotiations	
1985 Electoral Participation Planned	
Chaco Governor Denounces Shipping Deficiencies (LA NACION, 9 Jun 84).....	11
Daily Scores Recent Government Measures on Farm Exports (Editorial; LA NACION, 5 Jun 84).....	12
Grain Board President Explains Role in Export Activity (LA NACION, 10 Jun 84).....	14
Farm Sector Views Government Actions as Inconsistent With Goals (LA NACION, 9 Jun 84).....	16

Grain Exchange President on Entity's Activities, Objectives (Jorge Cort Interview; LA PRENSA, 10 Jun 84).....	18
Wheat Acreage To Decline (LA NUEVA PROVINCIA, 4 Jun 84).....	21
CRA President Romero Feris on Farm Sector Situation (LA PRENSA, 17 Jun 84).....	23
Briefs Sunflower Yield Down	26
BELIZE	
UDP Mission to U.S. Discouraged Over Talks With Officials (AMANDALA, 18 May 84).....	27
Paper Comments on Signs of Internal Dissension in PUP (THE BEACON, 26 May 84).....	29
Electoral Boundary Changes Communists' Strategy	
UDP Holds Biennial Conference, Sets Objectives (THE REPORTER, 3 Jun 84; AMANDALA, 1 Jun 84).....	31
Esquivel Remarks Policy Papers Preamble to Economic Paper	
Price Said To Blame UDP for Marijuana Situation (AMANDALA, 1 Jun 84).....	39
Briefs New Permanent Secretary	40
BRITISH VIRGIN ISLANDS	
U.S. Abrogation of Tax Treaty Brings Economic Slowdown (Editorial; THE ISLAND SUN, 19 May 84).....	41
DOMINICA	
Jamaica's GLEANER Interviews Charles on Various Issues (Eugenia Charles Interview; THE SUNDAY GLEANER, 3 Jun 84).	43
Government May Turn to IMF for New Loan (THE NEW CHRONICLE, 1 Jun 84; TRINIDAD GUARDIAN, 21 Jun 84).....	46
Charles Press Conference Budget Requirements	



## JAMAICA

Seaga Outlines Hanover Constituency Improvement Program (THE DAILY GLEANER, 4 Jun 84).....	48
Aftermath of Violence Brings Arrests, Political Questions (THE SUNDAY GLEANER, 3, 10 Jun 84; THE DAILY GLEANER, 6, 7 Jun 84).....	49
Police Investigations Murder Charges Comment on JLP-PNP Talks, by G. S. Reid Spanish Town Riots	
Budget Fallout: Analysis, Criticism, Cutbacks (THE SUNDAY GLEANER, 3 Jun 84; THE DAILY GLEANER, 4, 6 Jun 84).....	53
Implications of Government Strategies, by Paul Chen-Young Seaga on Revenues PNP Critique, Other Criticism Public Sector Cutbacks	
Canadian Development Projects Here To Get More Funds (THE DAILY GLEANER, 6 Jun 84).....	62
Shearer Warns Exporters Against Rules Violations (THE DAILY GLEANER, 13 Jun 84).....	63
1983 Growth Rate in Agriculture Best of Any Sector (THE DAILY GLEANER, 9 Jun 84).....	66
Dealings With Britain Bring Positive Advances (THE DAILY GLEANER, 4, 8 Jun 84).....	68
Renewed Military Exchange Air Agreement	
GLEANER Reports Threat to Employee, Cost of Police Abuse (THE SUNDAY GLEANER, 3 Jun 84; THE DAILY GLEANER, 7 Jun 83).....	70
Action Against Photographer Claims Against Police	

## MEXICO

PAN Leader Confident of Big Electoral Wins in 1985 (EL NORTE, 23 May 84).....	72
--	----

PAN Fearful of National Identity Document's Impact (EL NORTE, 25 May 84).....	74
Briefs	
Delegation to East Europe.....	77
PERU	
Military Maneuvers Follow Army Commander's Visit to USSR (EQUIS X, 4 May 84).....	78
Military Dissatisfaction Reportedly Rising (EQUIS X, 11 Jun 84).....	80
PCR Secretary General on Leftist Unity, Other Issues (Manuel Dammert Interview; EQUIS X, 28 May 84).....	82
TRINIDAD AND TOBAGO	
Chambers Meeting With Guyana's Burnham Questioned (John Babb; SUNDAY GUARDIAN, 10 Jun 84).....	85
Hudson-Phillips Decides To Join Prosecution in Grenada (EXPRESS, 11 Jun 84).....	87
Chambers Changes His Mind, Will Attend Caricom Talks (SUNDAY GUARDIAN, 17 Jun 84).....	88
Padmore Report on PNM Indicates Dissatisfaction Within (EXPRESS, 1 Jun 84).....	90
Call for Cabinet Changes, by Andy Johnson Tobago Independence Issue	
Voter Registration To Benefit From Computerization (EXPRESS, 1 Jun 84).....	92
More on Tapia House Call for 'National' Party (Clevon Raphael; TRINIDAD GUARDIAN, 18 Jun 84).....	93
Labor Unrest at Texaco Costs Workers \$5 Million (TRINIDAD GUARDIAN, 19 Jun 84).....	95
Shirt, Towel Imports Banned; Greater Productivity Urged (SUNDAY GUARDIAN, 17 Jun 84).....	96
Cartey Announcement, by Clevon Raphael Productivity Council Appeal	

Briefs

Tobago Publications	98
Union Expulsion	98

VENEZUELA

Interior Minister Comments on Economic Situation (Octavio Lepage Interview; EL UNIVERSAL, 21 May 84).....	99
COPEI Secretary on Debt Renegotiation, Other Issues (Elena Block; EL NACIONAL, 22 May 84).....	103
Administration's Position on Debtors' Declaration Criticized (Alba Sanchez; EL NACIONAL, 22 May 84).....	105

## ARGENTINA INTERESTED IN BOLIVIA'S MUTUN PROJECT

Santa Cruz EL MUNDO in Spanish 25 May 84 p 8

[Text] In an interview with EL MUNDO yesterday, the Argentine consul in Santa Cruz declared that Argentina is interested in participating in the industrialization of the Mutun iron deposits with a complementary project now that the national integrated steel plan has been defined.

Faustino Francisco Pleguezuelos said that Argentina and Bolivia are drawing their relations closer in the framework of the democracy in which both countries are developing.

He said that Argentina is a natural market for Mutun, which is why there is the intent to offer a complementary project of mutual benefit.

The world economic crisis caused the reduction of trade, a fact that has not prevented continuing the negotiations at the official level with favorable prospects, he said.

Bolivia exports gas, timber and other natural products from Santa Cruz to Argentina and buys a variety of foods, manufactured products, etc. In economic terms, the balance of trade favors Bolivia more due to the volume of natural gas exported.

An Argentine credit agreement for \$100 million for all types of goods is in effect.

Subsequently, a long-term grain agreement would be signed which would solve the country's supply problem for said cereal.

The next meeting in Santa Cruz of the Argentine-Bolivian Joint Commission has been announced; that is the organ that coordinates the development work being carried out in our country.

The laying of the Santa Cruz-Trinidad rail line is being carried out within that framework. At the moment, work is stopped due to problems that have arisen as a result of the irregular rain situation.

The Santa Cruz businessmen have been invited to participate in the different fairs that are held annually in Argentina. Argentine participation in the

Santa Cruz International Exposition Fair is already traditional.

Another important aspect is that pertaining to Argentine financing for the establishment of a port on the Ichilo River.

The Santa Cruz-Yacuiba railroad facilitates a smooth exchange between both countries, contributing to an increase in the transportation of passengers and goods.

Consul Pleguezuelos lauded the historical identity of the two countries, coinciding on today's date which recalls the feat of 25 May 1810, when a group of patriots headed by Potosi native Brigadier Cornelio Zaavedra began the struggle for the independence of the peoples of the Rio de la Plata.

The consular representative has been in Santa Cruz for 1 year, having served formerly at the same rank in New Delhi, India. He entered his country's diplomatic corps 15 years ago and is married and has three children.

He expressed his pleasure at being in our city and praised the hospitality of Santa Cruz.

#### Tribute

On the occasion of the commemoration of the 174th anniversary of the May Revolution, a wreath will be laid at 1030 hours today before the bust of General San Martin. At 1115 hours a similar ceremony will be held at the monument to Ignacio Warnes, and at noon the Argentine consul will give a cocktail party at the 24 September Social Club.

8711

CSO: 3348/446

## BOLIVIA, PERU, BRAZIL OFFICIALS DISCUSS BORDER PROJECTS

La Paz PRESENCIA in Spanish 28 May 84 p 3

[Text] Officials from the border areas of Bolivia, Peru and Brazil (BOLPEBRA corner) met recently in Rio Branco to analyze the need to integrate that region through the implementation of plans and projects of mutual benefit.

The president of the republic and planning and Foreign Ministry officials were informed about the results of that meeting, regarding the establishment of a permanent secretariat that will look after the projects of the three countries in that region in areas such as technical, scientific and cultural cooperation and the preservation of health and the environment.

The prefect of the department of Pando, Felipe Saucedo, and Deputies Carlos Benquique and Hernan Medeiros reported also that there are no border problems among the three countries. They explained that the meeting approved suggestions to the governments of the three nations to look into the solution of regional problems.

## Problems of Pando

The aforementioned officials explained that they have posed to the government the solution of problems such as that of the free zone, which currently lacks regulations in order to be put into operation; the Cobija airport and the Yucumo-La Paz road; the purchase of an electric generator unit through the Pando Development Corporation (CORDEPANDO) to solve the lack of electric energy in Cobija; construction of the new hospital in Cobija, the organization of a People's Supply Board, telecommunications in the department of Pando and other projects.

The aforementioned officials reported that after the meeting, President Siles instructed the ministries to attend to those needs.

8711

CSO: 3348/446

## BRIEFS

MEXICO: PERUVIAN REBELS ARRESTED--Veracruz, Ver., 21 May--A federal judge is trying two individuals of Peruvian nationality who, according to their statements, came to Mexico to acquire weapons in order to form a guerrilla group with which "they would attempt to overthrow" President Fernando Belaunde Terry. Carlos Alfonso Paulette Otiliano and Alejandrino Dario Morales Fernandez were arrested as presumed perpetrators of a holdup of a branch of the Mexican Commercial Multibank in this city, from which they reportedly stole slightly over 43 million pesos on 28 January of this year. The first federal district judge, Miguel Angel Morales Hernandez, reported that the individuals in custody denied having committed the crime ascribed to them, claiming that the slightly more than \$27,000 and 95 quetzales found on them were to be used to purchase sub-machine guns, rifles and pistols. The two subjects will be brought face to face, this Wednesday, with the employees of the bank branch, so that the latter may state whether or not they are the holdup men. The two Peruvians were arrested in the Federal District, at a hotel on Calzada de Guadalupe, by members of the Military Judicial Police. Meanwhile, they are confined at the Allende Jail until their legal status has been determined. [Text] [Mexico City EXCELSIOR in Spanish 22 May 84 p 8-D] 2909

CSO: 3248/672



## CENTRIST LEADERSHIP CALLS ON MODERATES TO FORM NATIONAL ALLIANCE

## Joint Document Issued

Buenos Aires LA NACION in Spanish 4 Jun 84 p 1

[Text] Salta--With the signing of a joint document in which the responsibility for achieving the establishment of a national political force is assumed, the most important centrist meetings in recent times concluded here, having consolidated the first step in an attempt to form a group of a national type, and raised a question regarding its legal format, organization and operation.

Thus, the Salta meeting became a unanimous statement on behalf of a confluence of conservative and liberal movements from all of our country's provinces, cities and districts, and started a course of action that will be determined probably on 30 June, during new meetings, as a corollary of overt negotiations leading to a single conference on agreements. Sooner or later (but during this month), that conference table will offer its seats to those who remain in the cause of integration.

The results of the action taken in this city appear to offer clearcut prospects: centrist unity, with the exclusion of the Federal Party, which was not summoned, wherein the role of the Democratic Center Union and the National Center Confederation (which come under the leadership of the national deputy, Alvaro Alsogaray) will have to be determined before the Mendoza meeting; because although their delegates (Felipe Crespo and Tomas Villafane Tapia) signed the joint document, they left in abeyance the party's decision to join as a structure.

## The Document

In the document signed yesterday, the centrist forces gathered at Salta declare their "irrevocable plan to contribute to the consolidation of democracy, confident in the power of their ideas for renewal to be imposed on the elections through the freely expressed will of the people; their concern over the repetition of the mistake of confusing the state with the official party and the passage of unconstitutional laws that violate ethical standards; their intention of seeking to establish the methods and systems of the most progressive nations, replacing totalitarian notions that have caused decadence,

so as to make our people's welfare and successful future possible; their determination to act motivated by the same spirit of social solidarity and to foster a vigorous effort on behalf of a free, modern, people's education; their desire to help civic morality and republican principles to govern the action of parties and governments from now on"; and resolve "to assume the responsibility for achieving the establishment of a national political force that the country is awaiting, in order to be able to solve the serious problems besetting it."

This brief document with an essential content was written by Emilio Hardoy, Manuel Avellaneda, Alberto Benegas Lynch, Roberto Azaretto, Felipe Crespo, Francisco Uriburu Michel and Senator Barbeito, who made up the commission assigned for this purpose. Thus, two proposals were nullified: one from Benegas Lynch, to progress more deeply into its political content, based on another document signed in San Juan; and another from Federico Pinedo (a democrat from the capital), to include in its format a mechanism for defending democracy and principles for the establishment of federalism and a reduction in the state.

The basic substance of these two proposals was postponed until the next meeting, at which those attending will surely arrive with definite guidelines dictated by their respective party structures, and at which the most important decisions will surely be made compatible, by means of interparty negotiations. Hence, it is expected that the determination of the new force's common principles, its legal format, its organization and its operation, "points established tentatively by the Provincial Union for the Salta meeting," will emerge without difficulty during a debate without opposing positions.

#### Agreements

At Salta, the agreements arrived at verbally were associated with the unconditional defense of democracy, flexibility of the positions for the benefit of unity, the pressing need for a confluence of movements and, to a lesser extent, the implementation of certain mechanisms for reaching this confluence. This latter point was underscored by Jose Manuel Avellaneda (head of Democratic Concentration), who upheld the theory of a confederation as a preliminary step before forming a single party, which was received without rebuttal.

#### Single Entity Urged

Buenos Aires LA NACION in Spanish 5 Jun 84 p 10

[Text] Salta--The action taken this past weekend by the conservative and liberal forces from all over the country left new prospects of unity open, but marked the beginning of the final stages in a dispute the solution to which cannot be delayed: Whether the Democratic Center Union and the groups combined in the National Center Confederation (under the leadership of the national deputy, Alvaro Alsogaray) are willing to form a single entity with the other moderate movements, or whether they prefer to determine their own course of action and their own political plan.

The tendency noted at Salta leaves no room for doubt regarding everyone's intentions: the creation of a force of a national type, with vast political essence, but without a determination as yet of its instrumental mechanisms. The representatives of Alsogaray's forces favored the inclusion of the groups present at the assembly in the confederation directed by the legislator; which received some criticism at the conclusion of the meeting and during the dinner tendered by the Salta Provincial Union, which Alsogaray's delegates did not attend.

#### Desire for Integration

With the opinion of the groups combined around Alsogaray stated thusly, the liberals' unconditional desire for integration was disregarded by Alberto Benegas Lynch, head of the Republican National Meeting, who upheld unity without favoring specific mechanisms, and pledged the support of the force that he directs (of an extra-partisan type) for the grouping that would emerge "on the basis of the decisions made jointly."

The formation of a confederation was also suggested by the head of Democratic Concentration, Jose Manuel Avellaneda, as a "preliminary step" before a merger of all the parties attending the meeting. During the 2 days that the negotiations and meetings lasted, the idea of establishing a confederation of parties was mentioned constantly, with agreement noted from the standpoint that, in order to reach greater understanding, there must be a prior climate of agreement of this type.

But no one went so far as to propose integration with Alsogaray (except his delegates), or to reject it. Also remaining are the final understandings among the provincial groups of democratic origin, for which the meeting to be held at Mendoza is considered essential; since there all the positions will be established and the image of a new political structure will appear. In view of this intention, the inter-partisan negotiations (until that day) will be intense, and as confidential as the circumstances allow.

#### Positive Result

According to its participants, the result of the Salta meeting was positive, because it afforded a "fraternal gathering" (in the words of Roberto Azaretto, of the federal capital's Democratic Party) of all the moderate movements, and "made definite progress along the path of integration," according to Avellaneda. The directors of the Provincial Union (the convoking force) did not conceal their "satisfaction" from this correspondent at the joint signing of the final document, and expressed their conviction that "a final agreement among all the forces comprising the center" will be reached.

On the other hand, leaders of the Corrientes Autonomist Party denied that any representative of that group had taken part in the meeting.

## Representatives Continue Negotiations

Bahia Blanca LA NUEVA PROVINCIA in Spanish 3 Jun 84 p 1

[Text] The meeting taking place in Salta, which ends today, will represent, as we announced a few days ago, "a new step on behalf of the unity of all the political sectors representing the center," through the participation of party leaders from all over the country belonging to conservative, neoliberal and right of center groups. In the Salta capital, the local Provincial Unión will act as host, but contacts have also been planned with members of the Renewal Party in that province headed by former Governor Roberto Ulloa. These deliberations have as a more direct precedent the well-known Lobos meeting in Buenos Aires, which marked the beginning of the coordination of the Conservative Union's provincial movements, but also the opportunity for leaders from other districts and other parties to anticipate the future unity. Later, there was another series of preparatory meetings (including the one held by Emilio J. Hardoy, head of the Federalist Center Party, with Jorge Ruben Aguado, from the Democratic Center Union inspired by Alvaro Alsogaray), until its culmination with the pact signed a few hours ago by the center federalists with the federal capital's Democratic Party, to form a group in common, as we reported yesterday.

In this respect, the presence during the corresponding ceremony of Mr Aguado, whose group has not yet formally decided on this measure, was symptomatic; despite which we can report that, at any moment, there will be an announcement of the guidelines that will serve as a basis for what might be described as a genuine political integration.

But another item of real significance was the encouraging voices raised by the Federal Party, led by Francisco Manrique, despite the fact that it had not yet clearly determined what its final disposition will be. This being the case, a few days ago, a lengthy meeting was held with Dr Hardoy, the results of which were more positive than had really been expected by the other party spokesmen. So much so that, possibly by next week, and once the results of the Salta conclave are known, Hardoy and Manrique will hold another talk behind closed doors, even though its results will be immediately conveyed to the other leaders.

Surely as a continuation of the contacts that the center federalist, Federico Carman, made recently with representatives from different associated groups, the day before yesterday, in the afternoon, and in a context that was obviously private, there was, in turn, a meeting at a downtown office in the federal capital including, in addition to the aforementioned individual, the Messrs Ancarola, Bunge and Fescina, of the Federal Party; Fernandez Mendy, Bullrich, Caldas Villar and Caceres Monie, of Popular Line; Lynch, Azaretto and Pinedo, of the Democratic Party; and Hardoy, representing the Center Federalist group. Earlier, there had been an exchange of ideas with Mr Perez Izquierdo (before his trip to Cordoba), who had coordinated the Neighborhood Boards that attended Lobos, and with the head of Popular Line, Mr Acuna Anzorena. Also taking part in the talks was Mr Ramon Palma, current minister of education in the government of the Liberal Autonomist Pact of Corrientes; and, as a significant detail, we can point out that, a few days ago, Carman talked alone with the

metropolitan delegate to the National Board of the Progressive Democratic Party, Mr Ianarelli, "with whom the agreement was considerable."

In conclusion, we might mention that, in Mendoza, the two internal movements of the local Democratic Party summoned their respective leaders to a joint meeting, to be held next Saturday, for the purpose of settling differences and "establishing a definitive precedent for the centrist gathering to be held in this province within a few weeks, with a view toward hastening the negotiations for unification." One of the lines, called Partisan Affirmation, is associated with the movement inspired by Dr Gabrielli; and the other, which operates under the title of Partisan Unity and Action, has as its top-ranking representative the former national senator and former minister, Dr Amadeo Frugoli, who will be traveling to Buenos Aires within 3 or 4 days to participate in other negotiations for unity.

#### 1985 Electoral Participation Planned

Buenos Aires LA PRENSA in Spanish 4 Jun 84 Sec 2 p 3

[Text] Salta (NA)--Parties of the right of center expressed here their intention of "establishing the methods and systems of the most progressive nations, replacing totalitarian notions that have caused decadence," while at the same time citing "the irrevokable intention of contributing to the consolidation of democracy."

Conservative, liberal, federalist, center and independent leaders from all over the country met in this city to seek agreements that would enable them to form a "national political force" that would become an alternative to Radicalism and Peronism.

Furthermore, this group must be equipped to participate "reliably" in the elections to renew the Congress that will take place in 1985.

After 2 days of deliberations, a document summarizing the content of the meetings was released.

The document was written by a commission consisting of Emilio Hardoy (Center Federalist), Manuel Avellaneda (Centrist Democratic Concentration of Tucuman), Alberto Benegas Lynch (Republican National Meeting), Roberto Azzaretto (Democratic Party of Buenos Aires), Jorge Barbeito (Mendoza Democratic), Felipe Crespo (National Center Confederation), Sofanor Novillo Corvalan (Cordoba Democratic) and Francisco Uriburu.

#### Concern

The joint declaration cites "the concern over the repetition of the mistake of confusing the state with the official party and the passage of unconstitutional laws that violate ethical standards."

The document emphasizes the "desire to help civic morality and republican principles govern the action of the party and government from now on."



It maintains that the leaders assume "the responsibility for achieving the establishment of a national political force that the country is awaiting, in order to be able to solve the serious problems besetting it."

The meeting was called by the Salta Provincial Union, directed by Fredy Saravia.

2909

CSO: 3348/451

## CHACO GOVERNOR DENOUNCES SHIPPING DEFICIENCIES

Buenos Aires LA NACION in Spanish 9 Jun 84 p 14

[Text] The Chaco minister of agriculture and livestock, Juan C. Nunez, denounced the existence of large quantities of sorghum out in the open at the port of Barranqueras due to a lack of barges to decongest the JNG [National Grain Board] silos. Therefore, that organism and CAFNE [Chamber of River Ship-owners for Barge Navigation] issued separate communiques.

The JNG stated that "a program of sorghum purchases for the NEA [expansion unknown] has been regulated. It establishes a price for merchandise loaded on a truck at the Barranqueras elevator. So far the JNG has bought 121,000 tons."

## Inadequacy of System

It is also pointed out that from 1 April until now the elevator received 103,000 tons compared to 30,000 in the same period last year. The purchases are made from producers; damp merchandise is received that must be conditioned in the elevator.

After stating that the program includes barges to ship 100,000 tons this month, the JNG admitted that there are inadequacies in the system. These are due to the absolute lack of investments in storage capacity, transportation and shipment in recent years.

## CAFNE's Opinion

CAFNE revealed that Minister Nunez' statements repeat a concern revealed last week by the Chaco governor who presented the problem of the sorghum overflow in the silo at the port of Barranqueras.

It said: "On that occasion, CAFNE informed the governor that the shipments are regulated by the JNG which assigns them through a bidding system. This does not lead to speed in operations."

It ended: "Also on 4 April 1984, CAFNE offered the JNG a shipment system for the entire year from Barranqueras and other littoral ports. It would cover both the times of high and low harvest in order to avoid situations or events like the one Minister Nunez detailed."

7717

CSO: 3348/449



## DAILY SCORES RECENT GOVERNMENT MEASURES ON FARM EXPORTS

Buenos Aires LA NACION in Spanish 5 Jun 84 p 8

[Editorial: "Stimuli, Discouragement for Agriculture"]

[Text] Recent official resolutions related to the export of oleaginous crops are bound to cause disturbances and generate unfavorable expectations in production, industry and trade of these products and in agriculture in general. Export duties on sunflower seed have been increased from 25 percent to 33 percent while duties on sunflower oil went from 15 percent to 22 percent. The National Grain Board has suspended reports on export operations of soybeans and oil.

The objective of both measures is to reduce the pressure of demand to calm the markets for these products. Their rise did not agree with official price objectives. It will be recalled that some time ago operations were limited in the sunflower term market for a similar reason, after verifying damage to the crop which was predicted to be extraordinary.

For the farmers, this news is naturally unfavorable and contradicts other objectives expressed by the top authorities. It has to be known that a decrease in yield causes a price reaction which tends to make up for higher costs.

In more general terms, it should be recalled that for some years there has been an expanding world market for oleaginous crops and that the Argentine producers are responding to that stimulus with larger plantings and harvests which naturally require higher investments and operational expenses. This leads them to incorporate technologies that permit them to compete with other nations in these markets.

A simple arithmetic operation leads to the conclusion that the rate of exchange for sunflower exports at the end of May was 29 Argentine pesos. In the case of oil which requires industrialization, this reached 33.5 pesos per dollar. These figures are so expressive that they speak for themselves.

The repeated reference to implementation of a type of mixed grain trade with state and private participation is also noteworthy. Since in other areas of foreign trade there have been reports on the study of bills to create a state foreign trade bank and also an official exporting company, there are naturally

objections in the interested sectors. In any case, in grains there is already trade increasingly distributed among a good number of participants. This is proven by the list of exporters last year. It shows that 20 percent of the operations was done by cooperatives, 50 percent by private companies--half of which were enterprises with national capital--and 15 percent by the state.

The national government solidly faced its first agricultural steps by reducing export duties for wheat and then announcing a support price for the next harvest. The planting has already started. The most effective step, though, was the reduction of tariffs on fertilizer imports and the reduction of the IVA [Value Added Tax] on agricultural chemicals. This made it possible to consolidate a technological transformation in Argentine agriculture with obvious results. It must also be pointed out now that the recent resolutions are a frank regression in that policy which was praised earlier in this same column.

The farmers face higher labor costs, higher rates for services and fuel and higher taxes. The prices of supplies other than agricultural chemicals increase more than the value of the products as a result of greater industrial protection. Within this context, it is not realistic to give higher priority to the price policy than production incentives. It cannot be forgotten that grains as a whole provide 50 percent of the foreign currency that now enters the country and that the winter planting season begins now. Then other crops are planted in the coming months. It would be appropriate to return to those first steps before the new criteria have unfortunate consequences and sterilize the good intentions.

7717

CSO: 3348/449

## GRAIN BOARD PRESIDENT EXPLAINS ROLE IN EXPORT ACTIVITY

Buenos Aires LA NACION in Spanish 10 Jun 84 p 20

[Text] In an interview granted to LA NACION, Dr Alberto Ferrari Etcheberry, president of the National Grain Board, discussed the sale of sunflower seed that this board finalized with Mexico in January.

In the first place, he indicated that the increased retentions on exports of that seed did not have any connection to that sale. He defined it as "a purely symbolic increase since now there is no practical possibility of exporting that seed. It is normally a marginal business. Therefore, the increase has not had any effect in the past or now on the prices in the domestic market, much less on the negotiation with Mexico." Ferrari Etcheberry also reported that the board never closed the books on sunflower.

With respect to the volume of seed sold to that country--182,000 tons--he pointed out that, at the time of the negotiation, a harvest of at least 3 million tons was forecast. He said: "At the same time, in Chaco where the harvest is first, the presence of the board was required. This could only take place if there was a commitment to export sunflower. Argentina is the main world supplier of sunflower oil so its harvest has noticeable repercussions on the international trade of sunflower seed. That record harvest assumed lower prices--both internally and externally--and led to the need for the board to be involved, accompanying the demand of industry in defense of the producer. Also Mexico is the main world market for this seed and this market is now open to our country."

He then revealed that an adverse period of rain disturbed the situation with a harvest loss of 25 percent to 30 percent of the predictions. "This means a drop in revenue for the country of more than \$250 million at a time when the international market was rising. Under these conditions, prices rose and the board had to renegotiate fulfillment of the commitment with Mexico. This will cause operational losses whose significance is infinitely small within the framework of the global problem of the harvest loss."

As to the board's method of acting, Ferrari Etcheberry said that this is not involved in the term market, "not because it neglects it but because, first, it cannot operate in foreign markets. This political decision is beyond its jurisdiction. Also it is impossible for the board to arbitrate in the local

term markets due to the small volume of their operations. He also pointed out that the board is not a common commercial operator but acts in accord with the law, in defense of national production and national interests. "It did so in this case and in the past with wheat, corn or sorghum. In fulfillment of that objective, like a commercial operator it can lose at times and win at other times. What always matters is evaluation of its conduct based on those objectives, not simple commercial accounting."

About the increased retentions on soybean oil, Ferrari Etcheberry revealed that this will not affect the producer's revenue since that greater cost will be absorbed by the oil industry. He maintained: "A measure of this type can be shared or not. It is not a transfer of revenue from the agricultural sector to the city. It is precisely the reverse."

7717

CSO: 3348/449

## FARM SECTOR VIEWS GOVERNMENT ACTIONS AS INCONSISTENT WITH GOALS

Buenos Aires LA NACION in Spanish 9 Jun 84 sec 3 p 3

[Text] In recent weeks the national agricultural-livestock sector, through its different representative entities, has begun to demonstrate in its arguments and a tone each time more expressive of discontent its concerns about different problems that affect rural activities.

These concerns are not just aimed at official national decisions like the recent criticism by the Argentine Rural Society about the increase in retentions on exports of sunflower seeds and soybean oil that "cast a shadow on the official statement about not turning its back on the rural sector any more." They also involve the actions of provincial governments like Buenos Aires because of the increases in different municipal rates or the treatment of certain legislative bills related to agriculture.

## Agricultural Policy

Various entities have the impression that the agricultural policy announced in Casilda by President Alfonsín as well as some measures already adopted make complementary decisions necessary to cover unsatisfied points. Otherwise, the objectives set by the government might not be fulfilled.

It is likely that some of those mistakes will be mentioned to the authorities in coming days. For example, the policy on fertilizers should be global, not limited to urea, in order to adequately satisfy the need for other types of nutrients like phosphorus. Also it is felt that the goal of 60 million tons of grain in a few years requires intensification of agricultural-livestock research in the semiarid regions. These regions will undergo the greatest transformation and the greatest risk of harm due to the moving agricultural-livestock frontier. This implies the achievement of the indicated production objective.

In addition to insisting on adequate plans that include grain storage, its prompt and economic transportation and adaptation of the ports to the requirements of the market, almost surely the need will be expressed to define a realistic currency exchange policy that offers the producer security in decision making. It would be pointed out that the failure to define the methodology for adjusting wheat prices in the next harvest has already caused a drop of 20 to 25 percent in the sowing plans compared to last season.

## Livestock Chapter

Basic observations on this would allude to uncertainty about a policy that has not been sufficiently expressed and deepens discouragement among the producers. There is agreement about this. From what has been announced, the government livestock and meat plan so far consists of reimplementing the ban in restaurants 2 days a week. This measure is considered negative. Unofficially, there is the import of more than 10,000 tons of Uruguayan meat which, according to some sectors, will not help improve the situation but will increase lack of confidence among livestock producers.

Other aspects that concern the sector are the lack of systematization of the directorate of the National Meat Council and the resurgence of the farm re-evaluation plan. The latter will be discussed by the Senate next Wednesday.

## Roads for Agrarian Development

Justicialist deputy Luis S. Casale has sent a bill to the transportation, agriculture and livestock and budget and finance committees of the lower house to implement a plan of roads for agrarian development. It covers the construction, improvement and preservation of roads that connect production centers with railways, ports and paved roads.

The bill has Decree 9875/56 as precedent; it instituted a similar system that was discontinued with the sanction of Law 22.294 of 1980. The objective of the bill seems praiseworthy. However, it should be pointed out that a fund is set up for carrying out the new law. It will obtain part of its resources from a 1-percent tax on agricultural, livestock and forestry exports. This tax will be added to the other export duties. With the retentions, they mean a substantial cut in revenue for agriculture.

Since the works of infrastructure are necessary for greater agricultural-livestock production, these must be faced rationally and with allocation of funds that the difficult circumstances of the country permit. However, they must not further affect a sector which has been assigned a major part in national economic recovery.

## Appointment to CRA

Mr Jose Fernandez Cervantes will represent CARCLO [Confederation of Western Littoral Rural Associations] as second vice president of the CAR [Argentine Rural Confederations]. This decision was made yesterday by the executive council of CARCLO. It also appointed Mr Miguel Angel Pergolesi of the Tostado Rural Society as delegate to the CRA. Fernandez Cervantes replaces Juan Capozzolo as second vice president of the CRA. The latter was dismissed from that office by CARCLO more than a month ago since it was felt that some statements he made at a meeting of cane workers constituted a lack of union discipline.

7717

CSO: 3348/449



## GRAIN EXCHANGE PRESIDENT ON ENTITY'S ACTIVITIES, OBJECTIVES

Buenos Aires LA PRENSA in Spanish 10 Jun 84 sec 3 p 1

[Interview with Jorge Cort, president of Buenos Aires Grain Exchange: "Objectives, Activities of Buenos Aires Grain Exchange"; date and place not given]

[Text] To open the interview with Mr Jorge Cort, president of the Buenos Aires Grain Exchange, we asked him about the responsibility of that position.

He said that it represents "not only a great responsibility, given the difficult time the country is going through, but also a great honor because the Grain Exchange is the oldest business institution in the country. I have been involved with it for almost 40 years."

[Question] What immediate proposals or projects does the executive committee that you head plan to advance?

[Answer] Given the institutional nature of an entity like the Grain Exchange and the broad spectrum of objectives in its statutes, its specific tasks include many activities. For example, in immediate terms, we are collaborating intensively in publicizing the use of fertilizers. We published a detailed manual aimed at the producers. The idea is to provide them with information expressed in clear and simple language to improve their knowledge of this technology.

It should also be pointed out that the 100th meeting of the International Wheat Council will be held in Ottawa toward the end of the month. The Canadian Government has organized a symposium to analyze international prospects on food security. This meeting will be a forum with the top leaders to discuss world food problems. The Grain Exchange has been specifically invited to that event. Through this institution our country is honored, making it possible to guarantee Argentina's presence as an exporting country. Therefore, I will go speak there and participate in the subsequent planned debate since the topics to be discussed are important.

Also the Grain Exchange continues developing intensive collaboration with the provincial governments. We have already signed technical advice agreements with some of them for marketing grain. The Grain Exchange is also present at meetings held throughout our country to advocate not only agricultural



development and a better understanding of the new production technologies but also a more in-depth knowledge of commercial processes.

The institution also maintains an on-going and fruitful relationship with different international organizations. It has signed agreements on the formation of a technical cooperation network in agricultural-livestock marketing and food supply at the Latin American level under the auspices of the FAO. Other agreements should also be mentioned like the one signed with the Institute for Latin American Integration of the Inter-American Development Bank for joint studies. We have been involved with this for several years. We updated it in 1982 with the Andean Pact in order to advise about the development of adequate marketing mechanisms for agrarian production and the creation and start-up of exchanges and markets in the member countries of the group and at the sub-regional level.

All the above is merely a list that could even be longer of some of the activities that the institution carries out. They are the object of periodic analysis by the executive council during discussions on the various institutional activities.

#### Evolution of Sunflowers

The dialogue then turned to the recent intervention by the Grain Board in the sunflower seed market. According to some, it led to market distortion.

Mr Cort revealed that "obviously that distortion occurred although factors contributed to it that are not included in the question. I am referring specifically to the adverse climatic conditions that affected extensive sunflower production zones with rain far above normal levels. This caused significant harm to the crops. This is why a crop that was initially estimated at a record of more than 3 million tons went down almost 25 percent, being estimated now at 2.24 million tons. This figure represents an important amount but is far from previous predictions. This helped generate additional uncertainty beyond logical expectations. The grain market now develops under these conditions.

"Also in international negotiations like this, there are major risks implicit. These must be accepted by all the participants."

[Question] It was said in some sectors that the "freeze" of ceilings for sunflowers in the term market is due to the major price increases the oleaginous crops experienced. If so, wouldn't it be weakening the essence of a futures market?

[Answer] This question is obviously related to the prior one. What I already said about climatic problems and their effect on the sunflower production levels is also applicable to this.

Consequently, it cannot be surprising that under such conditions the authorities of the Buenos Aires term grain market have made an objective evaluation of all the causes, both endogenous and exogenous, that might have distorted prices in a very sensitive market.

The adoption of measures to preserve an organized operation is nothing new. It must be understood as a precautionary and prudent position of the directorate of that entity.

#### Delegation in Quequen

At another part of the interview, we asked him about the Bahia Blanca Grain Exchange's objection concerning an alleged "invasion of jurisdiction" when the Buenos Aires Grain Exchange established a delegation in Quequen.

Mr Cort explained that this terminology is not appropriate since the activity of exchanges and markets is considered national in scope. The very nature and characteristics of the grain market make that wise viewpoint necessary. That is also the viewpoint adopted in the existing Grain Law.

"Last, with the hope of closing this particular discussion, I would like to refer to statements made recently in the southern press that the Grain Exchange would oppose the development of the port of Bahia Blanca. Nothing could be more baseless and incorrect since the executive council of this entity itself has resolved to carry out all the activities within its scope to promote the remodeling of that maritime station. It recognized that the channeling of our growing exports requires a port infrastructure based on those needs. The country does not have the luxury of not exploiting the natural conditions of the port of Bahia Blanca nor the maritime benefits of the port of Quequen."

#### Market Transparency

[Question] Some sectors indicate that the volumes negotiated on the Grain Exchange are insignificant. If this is not true, why aren't the daily tonnages announced? Wouldn't it give greater transparency to the market?

[Answer] There is no question about the substantial contribution made to the transparency of the market by the Buenos Aires Grain Exchange throughout its long past. There are a large number of participants in it daily. Their feverish activities generate the prices that the institution itself makes known to the country through the most varied means of publicity. This has permitted the grain producer now to have an appreciable information flow compared to other sectors.

As to volumes sold, the Buenos Aires term grain market monthly reveals the tonnage of operations carried out while the recording nature of the exchange itself means that the institution has details of the operations it is involved in.

The press media themselves have ample information available. This contributes to knowledge not only about the Buenos Aires market but also that of other ports and cities in the country.

Of course, there is still room for improvement in this great informational work. The entity is studying procedures to adapt the operational practices that stem from norms and customs to the greater requirements for information that the new commercial developments make necessary.

## WHEAT ACREAGE TO DECLINE

Bahia Blanca LA NUEVA PROVINCIA in Spanish 4 Jun 84 p 3

[Text] Buenos Aires--CARBAP [Confederation of Buenos Aires and the Pampa Rural Associations] yesterday spoke out against "the vague procedures for adjusting the wheat support price" and warned that they "point to a 25 percent falloff in acreage "

CARBAP pointed out that "farmers need to know what the policies are so that they can plan their work and estimate their costs without interference. The country ought to realize that farmers have to be free to make their own decisions. The government's job is to point out the correct paths."

In a statement issued at the close of one of its regular meetings, the union organization pointed out that "in response to the peremptory decision-making that we have put up with for a half century and that still exists at almost all levels of government, we have consistently maintained our agricultural and livestock output, which in spite of all the stumbling blocks erected by wrongheaded planners has enabled an economically misguided country to remain on its feet."

CARBAP then poses various questions about farm policy. For example, it asks "why are withholdings being applied to sunflower oil and why were the previous ones boosted; why has a similar move been announced for soybean oil and soybeans; why are the entries for soybean and sunflower exports being closed; why are the procedures for adjusting the wheat support price being kept vague, when they point to a falloff of about 25 percent in acreage; why is the government intervening in futures markets; why does the government insist on keeping the exchange rate gap, thus encouraging under- and overinvoicing; why does the government maintain exchange rate and tax conditions that make it impossible to use phosphorated fertilizers, which are indispensable in areas in which urea is not the magic answer being sought; why are meat exports being held back so that meat prices can be kept down for political purposes; why is the market being distorted with superficial measures such as the ban in restaurants; why are the licenses of the supply slaughterhouses being allowed to expire without due notice this coming 30 June, thus creating the unacceptable possibility

of handing over the meat market to a small group of buyers who are inclined to set slaughter quotas; why is the pessimism about livestock being allowed again to adversely affect the herd, which has once more begun to shrink; why are dairy farmers subjected to perpetual uncertainty and a precarious livelihood while a National Food Program, of which milk ought to be the cornerstone, is being implemented?"

8743

CSO: 3348/459

## CRA PRESIDENT ROMERO FERIS ON FARM SECTOR SITUATION

Buenos Aires LA PRENSA in Spanish 17 Jun 84 sec 3 p 1

[Text] During a meeting next Tuesday with Economy Minister Bernardo Grinspun, the president of Argentine Rural Confederations, Raul Romero Feris, will speak out against subsidized imports of powdered milk from the European Economic Community, which would directly harm domestic production.

Romero Feris himself made this disclosure to a feature writer for this newspaper, to whom he revealed that he is "not optimistic about the sector's current situation, inasmuch as there is total uncertainty among producers because of the absence of a specific plan and the existence of measures that are discouraging investment."

During the talk the farm leader said that it was indispensable for the government to do away with the withholding on imports (20 percent for meat and 25 percent for grains) and, at the same time, to adjust the exchange rate if it wishes to compete on the international market.

He also pointed out that so far the wheat acreage is down 20 percent from last year, while meat exports would not reach 300,000 tons, compared to 400,000 tons last year and more than 500,000 tons in 1982.

Broaching a variety of issues, the head of the CRA said that the lack of confidence among growers is diverting investments into other sectors, and he emphasized that some areas of the country are heavily in debt, such as the north, where there is practically no chance of discharging liabilities since no credit is available.

"At the moment," he added, "there are no loans for the planting, and the growers can't afford the few that are available, even at regulated rates."

Romero Feris stated that the government is neglecting major crops such as tobacco and sugar and that from 1977 to the present some 10,000 dairy farms have disappeared, with the trend intensifying in recent months. "This could lead," he added, "to a shortage of milk for the National Food Program and to the dairy farmers slaughtering their cows because milk production is unprofitable."

When asked about the implications of lower agricultural output for the country's foreign debt repayments, he said that wheat seed sales were down, estimating that the crop area would be 5 million (compared to 7.5 million last harvest) and that earnings from meat would also drop sharply from \$600 million in 1982 to \$300 million this year.

So then, the journalist asked, what steps should the government take to reverse this situation?

"First of all," he replied, "the withholdings should be done away with and the exchange rate, which is another withholding in disguise, should be adjusted. Then, a serious program should be set up, with an explanation of the instruments that will be put into practice to achieve the stated results."

#### Withholding

Romero Feris feels that withholding is not a good source of revenue for the country. He explained in this regard that if meat exports hit some \$300 million, the withholdings would provide the Treasury some \$30 or \$40 million, which is equivalent to just a day and a half of spending. Moreover, withholding distorts prices.

"We feel," he went on to say, "that keeping withholding is a political decision by the government, as is its lack of interest in boosting exports. The explanation," he said, "is that the administration is thus setting a ceiling on domestic meat prices, in the erroneous belief that meat prices are a cause of inflation, not an effect, as is actually the case."

#### Inputs

Elsewhere in the talk, Romero Feris pointed out that farming is unprofitable because the prices of inputs have risen faster than the prices of the items in the agricultural shopping basket. The example that he cited was that whereas farm prices have risen some 500 percent over the past 5 months, the prices of inputs are up 800 percent in some cases.

He also noted that the conditions in the sector threaten to worsen further if the bills to reappraise farms and to change the capital tax are passed.

He stated that the livestock herd would not be replenished as long as there are no profits to be made. He contended in this regard that during the week that just ended meat prices stood at 88 on a 1960 scale of 100. "This is an extremely low level if we bear in mind that the average over the past 20 years has been 106 and that 115 is needed to replenish the herd."



## Loans

When asked once again about sector loans, he said that there were practically none. "There are some at unregulated rates and they are unaffordable, but even the ones at controlled rates are expensive for growers."

The example he gave was that if the loan interest rate is 14 percent and inflation 18 or 19 percent, the real interest rate seems negative and favorable to the borrower. But, he added, we have to keep in mind that the rate is monthly and cumulative. "In other words, if you have your principal plus 14 percent from that month, the next month it's compounded, and you wind up paying twice that percentage."

Furthermore, provincial banks are in a very difficult position, and the Central Bank of the Argentine Republic is not currently giving them rediscounts to be channeled into agricultural expansion.

## The Overall Problem

According to Romero Feris, the farm sector's problem is the same as the country's overall problem, which is the lack of planning. "We need a comprehensive economic program, within which agriculture has a place. You can't work without having a good idea of what's going to happen."

Romero Feris concluded by contending that although there have been announcements of good intentions, they have not been fulfilled in practice. Nevertheless, the nation's farmers will continue to work as they have so far, without a plan and without a policy that calls for Argentina to regain its position in the forefront of world farm products trade

8743

CSO: 3348/459



## BRIEFS

SUNFLOWER YIELD DOWN--Sunflower production in the 1983/84 crop year will probably hit 2.24 million tons, down 6.7 percent from the 2.4 million last season. The sharpest drop, 59.1 percent, has been in the province of Chaco, as output in the northwestern province totaled 79,000 tons, compared to 193,000 in 1982/83. There have also reportedly been major falloffs in Santa Fe (13.4 percent) and Buenos Aires (5.3 percent). In contrast, the sunflower harvest in the province of La Pampa is reportedly up 10 percent this crop year, while the rise in Cordoba is reportedly 3.3 percent. According to the latest estimates by the Secretariat of Agriculture and Livestock, the sunflower crop area totaled 2.1 million hectares, a figure surpassed only by the 2.2 million hectares during the 1977/78 crop year. Although the estimated yield is down this season compared to last, it should be noted that it is 28.4 percent higher than the 5-year average and 59.9 percent higher than the average of the past decade. The yield per hectare is reportedly slightly lower than in the previous two crop years, as 1,134 kilograms are expected per hectare compared to 1,184 and 1,262 kilograms during the two immediately previous seasons. [Text] [Buenos Aires CLARIN in Spanish 23 May 84 p 22] 8743

CSO: 3348/459

## UDP MISSION TO U.S. DISCOURAGED OVER TALKS WITH OFFICIALS

Belize City AMANDALA in English 18 May 84 p 7

[From 2-page spread headed THE UDP BULLETIN, Vol 1, No 22, 20 May 84, and carrying the caveat "the UDP Bulletin is an official publication of the United Democratic Party, constitutional opposition of Belize. The views expressed in the UDP Bulletin are not necessarily those of the editorial board of AMANDALA"]

[Text]

The message which the UDP delegation brought away from the Washington leg of the U.S. tour is, to say the least, disturbing.

On Monday 30th April, Party Leader Manuel Esquivel and Legal Adviser Dean Barrow had conversations at the British Embassy in Washington with Mr. Roger French, Political Officer, and Mr. Derrick Thomas, the Deputy Chief of Mission.

In the course of these talks, Mr. Thomas made it abundantly clear that the British troops' presence in the independent Belize was not a long-term measure. Although he would not commit himself to a specific time-frame, Mr. Thomas indicated his government's wish to have the troops withdrawn as early as was possible. It was thus up to Belize to now either settle the dispute with Guatemala, or make alternative security arrangements.

The UDP also received confirmation that a British decision to remove the troops had been taken in October of last year, as was widely reported by the international press. This proved once again that George Price and the PUP had lied to the nation on this most fundamental question of our country, since it's plain that the Belize Government was kept fully informed of British intentions.

Additionally, Mr. Thomas indicated that the British insistence on leaving Belize had nothing to do with the financial cost of keeping the troops here. A political decision had been taken, and the British attitude seems to be this: Belize knew there was a problem with Guatemala before independence, yet George Price insisted on independence in 1981. As Belize must have been able to figure out before hand, independence has now made the problem more acute. Nevertheless, independence in fact means that Belize is on her own and must find her own ways of solving the dispute. Britain has given Belize a breathing space but that is all she was obliged to do, and that is now coming to an end.

The Americans were hardly more encouraging. In discussions with officers of the U.S. House of Representatives Foreign Affairs Committee, and the Senate Foreign Relations Committee, it was made clear that the PUP Government had done very little to make the individual members of congress aware of Belize's plight. There was thus very little knowledge, and even less concern in Congress about Belize's security problem.

The UDP took one small step in remedying this situation by making contact with Congressman Crockett from Michigan, a member of the House Foreign Affairs Committee and the Congressional Black Caucus. Congressman Crockett promised to mount a lobby with his colleagues on the Belize issue, and expressed the hope that soon the entire Congress would be familiar with, and sympathetic to, Belize.

On the administration side, the UDP team also met with Mr. R. Craig Johnstone, Deputy Assistant Secretary of State for Central American affairs. Mr. Johnstone did assure the Belizean delegation that the Reagan Administration regarded Belize as being of strategic importance, and that it was in the U.S. interest to have Belize continue as a stable, peaceful oasis in Central America with its democratic traditions intact. But while Mr. Johnstone was able to promise U.S. goodwill toward Belize, he was unwilling or unable to promise anything more.

At least the U.S. reticence seemed partly explicable by the fact that there is obvious concern in Washington about the line the Price Government appears to be taking. The PUP sends confused, and confusing signals to Washington, wearing as it does two ideological hats, speaking out of both sides of its mouth, and appearing at one time to be in favour of the Western alliance, at another to be in sympathy with the socialist inspired countries of the region and the world.

Additionally, what is perceived as PUP unwillingness to do much about narcotics control, indeed official connivance at drug trafficking in Belize, only helps to exacerbate the climate of uncertainty which troubles the present state of Belize/U.S. relations.

In summary, Belize's security picture looks bleak and the situation is being compounded by a PUP government paralyzed by its own internal instability and lack of direction.

It is clear therefore that the PUP Government needs to be replaced by a UDP Government. A government that will have a consistent conception of which way our national interests lie, to whom we must talk, and what we need to say and do to finally and firmly settle the problem of the security of Belize.

## PAPER COMMENTS ON SIGNS OF INTERNAL DISSEMSION IN PUP

## Electoral Boundary Changes

Belize City THE BEACON in English 26 May 84 p 1

[Text]

After winning in two closely contested general elections amidst Opposition claims of widespread fraud, cheating and political bribery, and after failing to win a single seat in last December's Belize City Council elections, the PUP government seems committed to a controversial re-alignment of electoral boundaries, that is bound to cause another serious fight within the government party.

Belmopan has understandably attempted to keep the plan a party secret, but an insider has informed the BEACON that the plan will primarily affect Belize City divisions on the northside of town, and some villages and cayes in Louis Sylvestre's Belize Rural South division.

According to our informant the Pickstock Division will be completely scrapped. Part will be added to the Fort George

Division to help leftist leader Said Musa, with the remainder being joined to the Freetown Division to help the Prime Minister overcome a more than 400 vote loss in the City Council polling. The old Freetown (south of Freetown Road) will be the beneficiary of the Pickstock carving; for that is where George Price expects to make his final desperate stand.

He has asked his sister Madam Jane Usher to take the other half of Freetown (which includes, the traditionally UDP strong King's Park area). But she is squealing. To appease her, they plan to add the Village of Ladyville and surrounding areas to the northern half of Freetown.

Add to all this they further plan (1) to make Hattieville (17 miles away) a part of the St. Martin de Porres area of the Collet Division, (2) include Gales Point Man-

atee (the last count gave the UDP about three votes here) to Dangriga Town, and (3) add Caye Caulker and Ambergris Caye to Fort George, and another full scale war between the right and left factions of the PUP becomes imminent.

All these villages and cayes, without exception, have always been consid-

ered Louis Sylvestre's no turning back.

strongholds, and his The rightists won the chances of retaining his first round at the party seat this year now be- convention earlier this comes extremely suspect year. Now, apparently, That is why Cous has been it's the leftists turn. hollering blue murder! They want to kill the But so far his threats right wing and still re- have fallen on deaf ears. main in power, and figure The plan, which also in- that beheading the raght- cludes splitting Albert ist leader in this way is into two constituencies, about the safest road to has been set and there is take.

### Communists' Strategy

Belize City THE BEACON in English 26 May 84 p 8

[Text]

All indications are that the communists in the government party have stepped up their campaign to take over the PUP and then destabilise Belize as they have done in the rest of Central America.

Of course this is not the first time the communies have made such a move. Indeed, their original strategy was to join the PUP and take over from within. They almost succeeded last May when they made a wholesale bid to take over the party. Sylvestre and his cohorts escaped by the skins of their teeth - temporarily at least.

Specifically the Marxists have targeted Sam Waight and Cous to be beaten by the hammer and sickle. Waight will be de-railed in the up-coming elections for the candidate for Cayo South. As to Sylvestre they will cut up his constituency. The communists plan to

take Caye Caulker, San Pedro and Ladyville from him. By this method he would lose his power in the Belize Rural South. It remains to be seen how powerful he is to withstand these onslaughts in what was traditionally considered his private domain.

Then there was a meeting in a remote Orange Walk Village between top communists from abroad and their Belizean counterparts. This village near to Pilear is to the North West of Hill Bank, is called Yasi Yam and is positioned near a Maya village. It is the place for surreptitious meetings.

The subject matter of the conference was the strategy for the general elections.

One thing emerged: some high ranking Pups will be very surprised when they learn what is slated for them for this very year.

## UDP HOLDS BIENNIAL CONFERENCE, SETS OBJECTIVES

## Esquivel Remarks

Belize City THE REPORTER in English 3 Jun 84 pp 1, 6, 12

[Text]

OFFICERS and members of the United Democratic Party meeting in Belize for their biennial National Party Conference gave a thumping endorsement to Senator Manuel Esquivel, the party leader, by approving a resolution by universal acclamation. n.

They resolved that the biennial conference as the supreme authority of the UDP declare its unequivocal support for Senator Esquivel "to lead the United Democratic Party to victory in the general elections and to become the next Prime Minister of Belize."

The resolution squelched emerging rumours, particularly in PUP circles, that the UDP was still fragmented over the

question of leadership. Delegates and district officers in an expansive and upbeat mood left no doubt about their intention to meet the PUP on their own turf and beat them.

The tone of the conference was set by the Party Leader himself who in a thirty minute address told his cheering supporters: "Victory will come only when we recognize that the odds are stacked against us and that therefore we must work twice as hard as the other side. We must be twice as good as the other side. We must visit the people twice as often; we must make twice as much sense. The people are ready, but that does not allow us to offer mediocrity.

The people want better. Let us make sure we offer them better."

Victory at the polls, Mr. Esquivel said, is important, but it is not the final goal. The higher goal, he said, was good government and service to the people of Belize.

Earlier in his speech Mr. Esquivel spoke of liberation. The PUP at the time of independence had promised liberation, but the liberation the PUP had in mind, he said, merely meant freedom of action to cast off their accountability to the people. "They seek a liberation from an independent judiciary, a liberation from a democratic parliament liberation from the will of the people



freely and fearlessly exercised.

"To the United Democratic Party" Mr. Esquivel said, "liberation means none of these things. To us liberation means freedom from want, freedom from fear, freedom from victimization, freedom from corruption, freedom to exercise and enjoy one's right as a citizen, freedom to develop one's talents and pursue one's ambition, freedom to exist as an individual, freedom to say 'yes' and freedom to say 'no'."

"We seek" Mr. Esquivel said, "a liberation that will restore to the National Assembly its true and constitutional power of law-maker — a power which has been snatched from it by a Cabinet that out-numbers the non-Cabinet members of the House of Representatives. We seek a liberation that will restore dignity to the Judicial System and will ensure non-interference in the judicial process. We seek a liberation that will grant to Town Boards and the City Council the degree of power and autonomy that they need to properly serve the people who elected them. We seek a liberation of the electoral system whereby the Elections and Boundaries

Commission shall be freed of one-party control. We seek a liberation from Radio Belize's monopoly mind control.

"Liberation has been promised, and liberation shall come, even though not from those who have reduced it to a mere slogan. Liberation shall indeed come and I am looking at the men and women who will deliver it".

Assessing the UDP current position the Party Leader said the UDP is stronger today than it has ever been. The PUP on the other hand is weaker than it has ever been. "Today", he said, the United Democratic Party has elected representatives in every district of Belize, whether in the House of representatives or in the municipal boards and Councils. We hold 33 of the 51 municipal seats, we have four of the seven mayorships. Village Councils all over the land in every district and in such unlikely places as San Narciso in Corozal, San Jose in Orange Walk, Ontario in Cayo, Hattievile and Gales Point in Belize Rural are now joining the march to true liberation under the banner of the United Democratic Party."

Speaking about the economic situation Mr. Esquivel said that

Belize was going through a crisis. "Our economy is in a shambles", he said. "Unemployment is staggering and rising higher all the time. Our government owes a hundred and fifty million dollars and very often cannot meet its payments. Black-outs have plagued this city practically non-stop every day for the past two years.

"While the volume of activity in industries such as sugar and citrus and fisheries have fluctuated from year to year, Mr. Esquivel said, "the actual number of industries has remained virtually unchanged in twenty years. We can only conclude that we must be governed by a singularly dull and dim-witted people who have been unable or unwilling to promote prosperity and growth. We have been saddled with a head of government and Minister of Finance who believes that poverty is a virtue to be eagerly pursued, and once possessed, to be held on to at all costs.

"We have a leader of government who considers himself the shepherd of the poor and simple people who must not be exposed to the temptations of the twentieth century.

"Well, the people of Belize may be poor,

but they are far from simple. They sent this message to Mr. Price in clear and loud signals last December 14 when they handed PUP its most crushing defeat in its political history.

"The people of Belize have had

enough of poverty, unemployment, black-outs, poor health care and political harassment, and perhaps for the first time, even the shy and the fearful are now prepared to cease their whispering and to shout it loud: "WE HAVE HAD ENOUGH".

#### Policy Papers

Belize City AMANDALA in English 1 Jun 84 p 7

[From 2-page spread headed THE UDP BULLETIN, Vol 1, No 23, 3 Jun 84 and carrying the caveat "the UDP Bulletin is an official publication of the United Democratic Party, constitutional opposition of Belize. The views expressed in the UDP Bulletin are not necessarily those of the editorial board of AMANDALA"]

[Text] UDP delegations from every district of Belize descended on Bird's Isle here in Belize City to attend the 5th Biennial Conference of the Party on Sunday, May 27.

The Biennial Conference is the supreme governing body of the United Democratic Party. Every electoral division sends fifteen delegates to the conference which is held every two years, unless a special conference is called in between. The Biennial Conference is the only body of the Party with authority to amend the Party's constitution and to elect members of the Central Committee and the National Executive Committee.

The Central Commit -

tee of the UDP is responsible for the day to day running of the Party. It is subject to the authority of the National Executive Committee, which has at least one member from each electoral division. Both committees are in turn subject to the supreme authority of the Biennial Conference.

Sunday the Conference elected a new Central Committee and National Executive Committee. The new Central Committee, which serves for two years, is made up as follows:

Chairman: Dean Lindo  
Deputy Chairman: Sam Rhaburn  
Deputy Chairman: Concepcion Campos  
Deputy Chairman: Eddie Longsworth  
Secretary-General: Carlos Castillo

Financial Secretary-  
 Treasurer: Collet Gill  
 Deputy Secretary-General: Ramon Vasquez  
 Deputy Treasurer: June Garcia  
 Youth Organizer: Derek Aikman  
 Women's Organizer: Nessie Young  
 Legal Counsel: Dean Barrow  
 Director of Organization: Santiago Perdomo  
 Officers of the Parliamentary Party - that is members of the Shadow Cabinet and Party Whip, also serve on the Central Committee. All of the above sit on the National Executive in addition to one representative from each electoral division and five members at large.

Two policy papers were approved by the Biennial Conference. One of these papers deals with the Party's economic policy, and the other deals with its policy on foreign affairs. These papers will serve as guides for the framers of the new Party manifesto that will be published in connection with the up-coming general elections.

Speeches for the day included a welcome address by the Party Chairman Mr. Dean Lindo, a reply by the Deputy Mayor of Dangriga Ms. June

Garcia, and the main address by the leader of the Party, Senator Manuel Esquivel.

Party dignitaries at the conference included the Leader of the Opposition and Deputy Leader of the Party, the Honourable Curl Thompson, Toledo North Representative Hon. Basilio Ah, Toledo South Representative Hon. Charles Wagner, Senator Elodio Aragon, the Mayor of Belize City Mr. Gustavo Bautista and Deputy Mayor Rodwell Pinks, the Mayor of Dangriga Mr. Ted Castillo and Deputy Mayor Ms. June Garcia, the Mayor of San Ignacio Mr. Rene Moreno, the Mayor of Benque Viejo Mr. Carlos Leon, and Deputy Mayor Rafael Contreras, the Deputy Mayor of Corozal Mr. Israel Alpuche, and scores of City Councillors and Councillors of Town Boards.

Party Whip the Hon. Philip Goldson was unavoidably absent from the conference as he is currently abroad.

In private session the conference heard a report from the Director of Organization Mr. San Perdomo and considered the financial statement presented by the Financial Secretary-Treasurer Mr. Collet Gill.

## Biennial Conference Passes Resolution of Solidarity

At Sunday's Biennial Conference of the United Democratic Party the Central Committee of the Party put forward the following resolution:

"WHEREAS the people of Belize are looking forward to a change of government within the next few months;

"AND WHEREAS, by the will of the people, the United Democratic Party will form that new government;

"AND WHEREAS the Central Committee and the National Executive Com-

mittee of the Party have recognized the outstanding performance of the Party Leader;

"BE IT RESOLVED that this Biennial Conference, as the supreme authority of the United Democratic Party, declares its unequivocal support for Senator Manuel Esquivel to lead the party to victory in the general elections and to become the next Prime Minister of Belize."

The resolution was passed by a standing ovation from all delegations.

## City Council Retirements

At its monthly meeting on Tuesday, May 29, the Belize City Council agreed to the retirement of five aged workers. These men, some of whom are as much as eighty years old, had been begging for retirement from the time of the PUP administration, but because of PUP mismanagement of the Council's affairs, the men were told they could not retire because the PUP Council did not have the money to pay them their gratuity. All of these men are ill and unable to carry on the strenuous work of taking care of the city. Even though the new City Council is severely handicapped due to the mess found at City Hall when the PUP

were removed, the UDP Council has considered it a matter of serious concern for the health and wellbeing of these old men who were forced to work long beyond their retirement age.

Paying their gratuity will seriously affect the Council's finances, but the UDP could not in conscience refuse these men, so the Council has decided to tighten its belt some more to enable the men to get their retirement pay. There are other workers seeking retirement, but these five were the ones in most need.

The workers retired are Evaristo Gongora, 68, David Warren, 69, Shadrach Dominguez, 77, Albert Hoare, 80, and Lucius Pratt, 80.



## Preamble to Economic Paper

Belize City AMANDALA in English 1 Jun 84 p 7

[From 2-page spread headed THE UDP BULLETIN, Vol 1, No 23, 3 Jun 84 and carrying the caveat "the UDP Bulletin is an official publication of the United Democratic Party, constitutional opposition of Belize. The views expressed in the UDP Bulletin are not necessarily those of the editorial board of AMANDALA"]

[Text]

The United Democratic Party, conscious of the need for specific economic objectives and practical development strategy in order to achieve them, will set as a priority the foundation of a short term (3 years) and a longer term development plan. The economic policy which should emerge will provide the guidelines for meaningful development.

The United Democratic Party believes economic development depends on the joint and mutually beneficial efforts of government and people. That is, while the UDP insists that a strong, aggressive, and competitive private sector must be the bedrock of our economy, it also recognizes that untrammelled, laissez-faire capitalism can only result in skewed, unbalanced economic growth.

In order then to more nearly achieve our goal of true development - the slicing of the economic pie so that every Belizean will have a fair and sufficient share, the UDP believes that Government must fulfill its obligation to

legislate for fair play, but that Private Enterprise must play its part in mobilizing the resources of the country to provide investment, more jobs, more goods, and more services. The individual must be free to use his skills, talents, property, and capital to make productive those resources which have so long been neglected. The UDP believes that complementarity and cooperation between the public and private sectors - with government being always careful not to become oppressive or stifling of private initiative even while maintaining its ultimate right to act in a regulatory fashion for the public good will, provide the best framework for the development of Belize. We believe that every member of society is entitled, because he is a human being, to a decent standard of living. We believe that everyone has a right to a job and a decent income. Accordingly, UDP policy is aimed at dignifying Belizeans in all walks

of life including the full integration of women and youths in the economic life of the nation. Nothing less is acceptable.

Belize clearly needs, and must welcome, foreign capital including inputs from Belizeans living abroad. But the interests of proper development and balanced growth require that we seek, as far as is possible and practical, local control of the commanding heights of the economy. Additionally, the rights and dignity of the Belizean worker must at all times be adequately guaranteed.

Goodwill, mature judgment, and a lack of arbitrariness on the part of a UDP Government will, in the spirit of partnership, assure just returns for the entrepreneur both local and foreign. At the same time a real stake in the national economy will be preserved for the masses of the Belizean people, and the

obligations of the State to help the poor and underprivileged will be fulfilled.

It is important that we recognize the magnitude of the problems facing the country and the limitation of our resources. Although capital and man power are scarce and often inadequate, it is the belief of the UDP that careful and responsible management can alleviate the economic pressures confronting the country. There are extraneous factors over which we have no control and they have proven the scourge of every developing country. Notwithstanding this, we refuse to consider the fact that the die is irrevocably cast or to subscribe to or accept any kind of fatalism. The UDP feels that it can demonstrate that things can be improved and can create the beginning of a fruitful, productive and exciting economic experience.

### How Much Longer?

The story goes that a young Belizean patriot once approached a wise old man in the village of [ ? ] Tree and told him, "Old man, I am fed up with the way things are going now in Belize. When will freedom and a better life come to us in Belize?"

The old man replied to the youth, "Come out in -to the lagoon with me and you will find out." When they had waded into the lagoon the old man seized the boy's head and held it under water. The young man had to struggle fiercely to get his head up



and to breathe again. He was furious with the old man and asked angrily, "Why did you do that, you want to kill me?"

The old man calmly replied, "When your head was under water, what did you want most of all?"

"Air", replied the youth.

"Quite right, and you were prepared to fight with all your strength to get it," countered the old man. "Just so, whenever you and the other young people of Belize want freedom and a better life as much as you wanted air when your

head was under water, , you will fight with all your might to get it or drown in the PUP lagoon."

Young people of Belize, GET REGISTERED THE DAY YOU BECOME EIGHTEEN YEARS OLD. Join the United Democratic Party NOW. The Party needs helpers, canvassers, workers. Come out to UDP functions and public meetings. Support our candidates. Where ever you go, take the message with you: freedom and a better life for Belize. That is the promise of the United Democratic party. Help us to keep that promise by giving your support.

CSO: 3298/919

## PRICE SAID TO BLAME UDP FOR MARIJUANA SITUATION

Belize City AMANDALA in English 1 Jun 84 p 1

[Text]

BELIZE CITY, Fri. June 1

Our sources say Prime Minister George Price told a meeting of members and supporters of the combined PUP Freetown, Pickstock, and Fort George constituencies on Tuesday night at Independence Hall that the UDP was to blame for the weed situation in Belize.

The PUP leader, in typical sanctimonious and self-righteous fashion, said that his government wanted to destroy the local marijuana industry with paraquat spraying, but the UDP was not supporting him. He went so far as to claim that the UDP wanted to legalize marijuana.

In such closed meetings of the party faithful, of course, Mr. Price can give them any kind of political baba to drink and the faithful will swallow. (Shades of Kool-Aid.) But any reasonable person will ask the question how come the UDP is to blame when the PUP has been in power for the last 25 years, and when the PUP came to power there was no weed industry in Belize,

and now weed is a monster.

(Incidentally, neither of the two PUP newspapers DISWEEK and TRIBUNE which covered the Batun/Doradeo septic tank suffocations in Guinea Grass last week in their issues published this morning, mentioned that the marijuana in question (stored in an empty septic tank) had been sprayed with paraquat. Both men were drunk, and paraquat, which is also known as Gramoxone or Agent Orange, at close quarters kills.

Aurelio Batun and Doradeo, his son-in-law, were trying to get weed out of the storage tank when they collapsed and died. The police have perplexed villagers by arresting Batun's wife, son and daughter and charging them with weed possession.)

If Mr. Price is in fact claiming that he did not know how or when the marijuana industry grew from a small mustard seed into a luxuriant jungle, then that may be the only thing he has not known about which took place in Belize during his administration.

## BRIEFS

NEW PERMANENT SECRETARY--Mr Ronald Clarke (photo) has been promoted to the post of Permanent Secretary. An announcement from the Establishment Department said his promotion is effective Sept. 6 1983. A career public official, Mr Clarke, entered the service in 1954. He reached the rank of Administrative Officer in 1971 and had acted as Permanent Secretary on various occasions. Mr Clarke has also served as Secretary of the Tourist Board and Resident Tutor of the Extra Mural Department. Mr Clarke completed a 3-month course in 1967 in International Relations and Diplomacy at U.W.I. in Trinidad. He also did a one-year course in Journalism at the London Polytechnic in 1963-64. Clarke is 49 and married. [Text] [Belize City BELIZE SUNDAY TIMES in English 27 May 84 p 2]

CSO: 3298/920

## U.S. ABROGATION OF TAX TREATY BRINGS ECONOMIC SLOWDOWN

Road Town THE ISLAND SUN in English 19 May 84 p 15

[Editorial: "A Stitch In Time May Save Nine"]

[Text]

From conversations we have had with a number of interested people, it appears that the economy is slowing down. We were told that groups of workers in various establishments are being laid off from their jobs, especially in the hotel and service trade. Of course, in what is called "the tourists off-season" which comes during the late Spring and Summer months, there has usually been a decline of business in these establishments. However, this year it appears to be more than the usual.

We understand that a number of expatriate businesses are folding up or making drastic retrenchments in staff. The reason for this would appear to be due to the 1983 abrogation by the U.S. Government of the U.S. - B.V.I. Taxation Treaty which was in effect for ten years previously and avoided the application of Double Taxation. The Treaty was of great incentive to American investment of capital in these islands. With the abrogation of the Treaty by the Reagan Administration in Washington (which the then BVI Government did everything possible to negotiate), the matter of double taxation on businesses in the islands, financed by U.S. Investors, has become acute, as was expected with abrogation of the Treaty. It can be seen that with the heavy load of double taxation, such businesses which were already established in these islands are faced with either retrenchments in staff, etc or folding up.

It may not be the only factor in the laying off of so many people from their jobs, but the strain of double taxation is certainly playing an adverse role in the economy.

Is there anything that can be done in meeting the adverse effects the abrogation of the Treaty by the U.S. Government (whose position is known to be adamant on the subject) is bringing about? As we see it, the solution is for the BVI Government to subsidize the payment of the tax which the affected establishments must now pay into the U.S. Treasury in addition to taxes paid to the local Government; or exemption of such local taxes which are similar to that which the U.S. Treasury demands. This would, of course, be for a spe-

cified period of years . . . say five years as a trial period . . . and binding by agreement.

The Government must become aware (if it is not already) over the signs that a recession may hit these islands and development brought to a stand still. Far be it from us to be an alarmist, but we are reminded of the old saying "A stitch in time may save nine."

CSO: 3298/921

## JAMAICA'S GLEANER INTERVIEWS CHARLES ON VARIOUS ISSUES

Kingston THE SUNDAY GLEANER in English 3 Jun 84 p 15

[Interview with Dominica Prime Minister Eugenia Charles in Jamaica; name of interviewer and date not specified]

[Text]

Eugenia Charles, Prime Minister of Dominica is now one of the best known and most respected political leaders in the Caribbean. The **Gleaner** interviewed her when when she was in Jamaica recently attending the Conference of the Caribbean Development Bank.

**Gleaner:** The Caribbean and Latin America has now become the front line in the cold war and confrontation between the super powers. Is there any room for non-alignment?

Eugenia Charles: I always wondered what non-alignment really meant you know. It seems to me that the ones who are shouting non-alignment most are the ones who are most bitterly aligned ... not aligned for, aligned AGAINST something. And yet I think it's good for a country like ourselves to be non-aligned. I'm quite prepared to talk, negotiate, with leftist countries so long as they will leave my country to grow up in the philosophy it wants to grow up in. I want nobody imposing their philosophy on me...

### Most outspoken

**Gleaner:** You have been one of the most outspoken in declaring a preference, would you care to elaborate on your reasons?

E.C. Well I've spoken about what I think we should have, I believe that because we have grown up in the way we have and are accustomed to it, that the Western philosophy is the philosophy we want but that does not mean that you cannot talk trade, have arrangements with countries that don't have that philosophy, but those countries must understand that our friendship is not tied to letting them impose upon us what they wish us to do, in the western world nobody tries to tell us what to do.

**Gleaner:** Have you had personal experience in Dominica of this?

E.C. We've had the experience of Cubans trying to educate our young people in military affairs and in the Communist ideology. When we send our children to school in America or England they are not obliged to learn about the Western philosophy, in fact most of them come back very radical, very Communist, so it shows that there is a very wide open range for them there...and I want the same thing from the Eastern bloc. If they want to give my children scholarships they must not impose (ideology) upon them. I said this to Cuba and the last time they spoke to us they said: 'well our way of doing things is to impose the philosophy' so I said 'O.K. let us agree not to have our people study there — it does not mean I'm vexed with you but I don't want my people to go and study with you.'



## Optimistic

**Gleaner:** Are you optimistic about the Caribbean region's economic future?

E.C. I'm not optimistic. No. Things are hard everywhere, small countries always have a tough time, economy of size .. will always be a threat over our shoulder. We'll never be rich countries but at least I think we can have a modicum of living for our people. People talk about the television going to change our lifestyle, you can't change our lifestyle if you haven't the money with which to do it, (people) are going to know they just can't afford these things and are going to cast them out of their minds, so we are never going to be an affluent society but I think we can make a modicum of living for our people and this is what I'm optimistic about.

**Gleaner:** Mr Demas has just said that structural adjustment (of Caribbean economies) is essential.

E.C. Yes. It is.

**Gleaner:** But painful for the poorer groups and a "supreme political difficulty."

E.C. It's very hard on us, we have been doing it at home, when he spoke about making sure that institutions stand their own burdens, we've done this at home. It has hurt a lot. For instance our Water Authority I've told them they must balance their budget .. we've done it to other boards and we assist them as little as possible. We feel that they must become businesslike.

## Structural adjustments..

**Gleaner:** How close are they to becoming viable?

E.C. The Water Authority is not doing too badly but it means that we have had to raise the cost of water to the consumer .... you have got to keep selling the idea (to the consumer) that if you can pay \$2.60 for a bottle of beer why should'nt you pay \$2 for your day's supply of water?

**Gleaner:** So you think structural adjustment is...

E.C. Oh its essential.

**Gleaner:** Is it possible in practical terms?

E.C. It is, but it is going to hurt and it means a lot more work on the (politicians) to sell the idea to the people and explain to them .. why we have to go through this tight period for the purpose of getting a better future for them.

## Public relations push

**Gleaner:** So you are having a sort of Public Relations push now?

E.C. All the time. Constantly. For instance we take the opportunity whenever there's a village council election (there are 100 village councils getting elected every 3 years) ...there's always something happening...They call us the Cabinet on wheels...we go into the constituencies, meeting the people and talking about their problems...and its good because we are talking quite openly with them and not promising them things we can't do but telling them the difficulties and letting them know what they can do for themselves (Miss Charles said that her government promotes self-help projects). Sometimes water schemes have come up to villages in this way, we provide the pipes and the know-how and the people do the work and in that way they look after it much better ..because its THEIRS....We don't have the advantage of having TV all over the island, even our radio doesn't cover all the island ...so we go out and we meet people and we tell it straight and open and they don't like it at first but after a while they realize that you're right. And some of them will never like it but I think its better (so) than to tell them what (they would like to hear) and (will) never get.

**Gleaner:** How would you describe your role in the Grenada intervention?

E.C. They have built up my role a great deal but let's face it, it was the business of all of us heads of OECS getting together ...as soon as we got together it didn't take half an hour to make our decision, I think perhaps (it was) the quickest decision ever made in the Caribbean...when we made the decision we realized that we did not have the wherewithal, so we thought we'd ask Jamaica.

We took Mr. Seaga off the plane that night and made him stay with us to discuss it ..and then we went on to Trinidad and spoke at Caricom but I've always felt that the Caricom Treaty doesn't ..lay the foundation for that sort of co-operation whereas the OECS does.. Caricom is more a trading thing..Nobody was obliged to come in with us and I'm not annoyed that they didn't come in. I'm a little annoyed that they spoke against us at the U.N. I thought they could at least have abstained from making statements...

## Unifying decision

**Gleaner:** Do you think it was more a unifying decision than a divisive one?

E.C.: Oh it definately brought the OECS closer together and made us realize that we are a region, we have to do things for ourselves and we have to stick together as a region ...also it brought us closer to Jamaica and Barbados..the only reason I got so much limelight was because I was the Chairman of the OECS, that's all. It was a decision that all of us had made equally.

**Gleaner:** You have been compared to Margaret Thatcher, how does that grab you?

E.C. I don't think that was because of Grenada, it was because of the hard economic decisions we have had to make at home, and also because I tell it as it is , I don't wrap it up and pretend and so on, I tell it as it is.

**Gleaner:** Are you flattered by the comparison ?

E.C. No. They can call her the Eugenia Charles of Britain as far as I'm concerned. I'm not annoyed about it.. it's a proper description in that I have had to work hard...(and inasmuch as Margaret Thatcher) knows where she's going and goes there.. I admire her very much.

## Elections in Grenada

**Gleaner:** We have been told that the Grenadians feel they are not ready for elections.

E.C.: I know, and a lot of the people feel that, and I'll be honest about it, but I feel that until they have elections they are never going to be settled. I respect their view that they have had so much...they are so dissatisfied with political regimes that I can see why they're not keen on elections but I don't think they will ever settle their affairs until they've had elections and have an elected government. I mean they have to be —not forced, because they must not do anything they don't want to do, but they must be encouraged to make these decisions for themselves...I think early elections are very important, but I know they are not for it.

**Gleaner:** The OECS and the U.S...would they be prepared to accept it if suppose, the people choose another socialist leftist-oriented government?

E.C. Oh Yes. I'm prepared to accept whoever they elect ..

**Gleaner:** You are prepared to endorse whoever it is, even a far-left government ?

E.C. Oh yes. They have the right to choose whoever they want and this is what we were getting for them, their freedom to choose..so whatever they choose will be acceptable to us.

**Gleaner:** Do you see any hope for a closer political grouping in the Caribbean, not just the OECS as was envisaged in federation?

E.C. I don't see it happening in my time. I'm not against it, I am for it, but I don't see it happening.

## GOVERNMENT MAY TURN TO IMF FOR NEW LOAN

Charles Press Conference

Roseau THE NEW CHRONICLE in English 1 Jun 84 p 2

[Text]

Roseau Dominica, May 29 - Dominica's Prime Minister Eugenia Charles has said here that the International Monetary Fund (IMF) has offered her administration financial assistance under its extended fund facility, but government is still undecided about accepting the aid.

Speaking at a news conference Monday, Miss Charles told reporters "we haven't decided on anything yet... The IMF has offered us the stand-by arrangement, we haven't finalised it yet with them". Miss Charles said that the request by the IMF followed the annual consultation with the Government in April this year adding "they know we still have a deficit... but I am still looking for other sources in the meantime".

In 1980 Dominica entered into a three year agreement with the fund for 37 million EC dollars after the present administration claimed that it had found the treasury virtually empty after taking over from successive Labour Party

administrations.

In April this year the Government Information Service issued a statement saying that Government is to seek a stand by arrangement with the fund but did not disclose how much money was being sought. But Miss Charles told reporters "we see a deficit of perhaps five million EC dollars and if we can do without borrowing we will, we haven't been able to find another source as yet".

Miss Charles said that if Dominica was to accept the IMF request the country would be borrowing the money under less stringent interest rates than the agreement reached in 1980. In interest rates it will be less stringent, but there will be no difference in the conditions" she said.

When Dominica accepted the 37 million dollars from the IMF, it agreed to placing a 10 percent wage ceiling on salaries for public servants each year for the three years, as well as stopping financial assistance to statutory bodies on the

island among the conditions.

Asked if Civil Servants would have to accept 10 percent under the proposed offer Miss Charles replied "Well perhaps no percent or perhaps 20 percent, but we have to know in three years what expenditure in the public sector would be".

The 65 year old Prime Minister who is also Finance Minister said that any agreement worked out with the fund will have to come into operation before the end of the new financial year which ends in June next year.

"Our budget will show a deficit and we have to seek the funds before the end of the (financial) year.... We have to find some means of making up that deficit".

## Budget Requirements

Port-of-Spain TRINIDAD GUARDIAN in English 21 Jun 84 p 14

[Text]

ROSEAU, Wed.,  
(Cana):

DOMINICA might seek \$4 million from the International Monetary Fund (IMF) under its standby credit facility for financing the islands capital budget, Prime Minister Eugenia Charles said on Monday.

Presenting a \$125 million budget to Parliament, Miss Charles, however, said that her administration was looking for an alternative way of financing the budget.

Miss Charles said that her administration had seriously considered the implications of entering into a standby arrangement with the fund" but added "we have made great progress with the assistance of the fund and we have brought the economy to a point of take off."

### AGREEMENT

Three years ago Dominica entered into a \$37 million loan agreement with the fund.

Miss Charles said that while her administration was of the opinion that there should be no relaxation in its fiscal policies "we believe that the time is appropriate to give the economy some rein, to remove some of the constructive conditions that make it impossible for us to expand sufficiently in the public sector or to give sufficient fillip to development in the private sector."

Miss Charles said also that her government had now become credit worthy mainly due to the fund saying "the IMF credit helped us to restore the creditability of government, enabled us to pay large sums that were owing to local and international creditors so that today Dominica has about the highest credit rating in the Caribbean."

CSO: 3298/922

## SEAGA OUTLINES HANOVER CONSTITUENCY IMPROVEMENT PROGRAM

Kingston THE DAILY GLEANER in English 4 Jun 84 p 2

[Excerpt]

The Constituency of Eastern Hanover stands to benefit from an \$11 million improvement programme announced by Prime Minister Edward Seaga on Saturday. This figure represents the highest level of expenditure to be undertaken throughout the 60 Constituencies, Mr. Seaga told constituents at a special meeting at the Sandy Bay All-Age School in that parish.

Among the benefits to be derived under the new programme are a \$3 million road improvement project, a \$1 million factory, a \$4 million Secondary School, and massive development of Cascade under the Government Comprehensive Rural Town Development Programme.

Mr. Seaga, who was in the area on the invitation of the Member of Parliament, Mr. Willie Hastings, to have first-hand knowledge of some of the problems affecting the constituency, made the announcement following a tour cut short by heavy rain.

The Prime Minister said that in designing the programme for the constituency the Government hoped to tackle a number of problems including repairing of roads, repairs to the water supply system, and provision of housing in sections of eastern Hanover.

Mr. Seaga told the meeting that of the proposed \$11 million to be spent just under \$60,000 would come directly from the \$500,000 allocation to the Member of Parliament. The other areas to be addressed are to be financed through the Budget and by assistance from the Inter-America Development Bank.

## AFTERMATH OF VIOLENCE BRINGS ARRESTS, POLITICAL QUESTIONS

## Police Investigations

Kingston THE SUNDAY GLEANER in English 3 Jun 84 p 1

[Text]

Fifty-eight persons have been detained by the police in massive raids which have been going on in the west of Kingston and lower St. Andrew over the last few days.

The raids have been taking place in Rema, (Wilton Gardens), Tivoli Gardens, Rose Town and Concrete Jungle, (Arnett Gardens), and several wanted men have been held for questioning about the killing on May 8 and 9 of seven people in Rema and Rose Town and the killing earlier this year of three persons in Salt Lane.

One of the main suspects in the Rema killings was held in a police dragnet on Saturday night, the **Gleaner** was informed.

Two of the detainees

are from Concrete Jungle but it could not be ascertained what the breakdown is for the other communities.

Some of the suspects have been on the police wanted list for several months for a variety of felonies, and they are to face identification parades this week before being charged formally.

## Murder Charges

Kingston THE DAILY GLEANER in English 6 Jun 84 p 1

[Text]

**I**N THE WAKE of the Rema affair last month, in which Jamaica Labour Party (JLP) factions clashed, nine men have been charged with murder for the gun killings of at least eleven persons.

Police in stepped-up operations since last week in the Corporate



Area, detained 138 people, most of whom were held at the maximum detention centre at Metcalf Street at the border of the troubled communities of Denham Town and Rema (Wilton Gardens).

After processing, nine were charged with murders yesterday morning.

Reports are that the police are looking for others believed to be involved in the incidents in the areas which involved gunmen operating from Rema, Tivoli Gardens, and Rose Town in western Kingston and lower south western St. Andrew.

Since the Rema affair, several of the gunmen have fled their haunts, the **Gleaner** learnt.

Some went from Rema to neighbouring Arnett Gardens (Concrete jungle), a PNP stronghold, where they sought refuge after being branded as "rats" and "socialists."

The police crack-down on criminal activities took in Arnett Gardens, Central Kingston, Whitfield Town, Seaview Gardens, Majestic Gardens, Greenwich Town, Duhaney Park, Rema, Rose Town and Denham Town.

In the raids, colour television sets, computer sets, and other goods believed to be stolen, as well as ganja were seized.

Charged with the murder of the Rema seven on May 8 and 9 are: Carlos Robinson, 25, otherwise called "Cuffee," labourer, of Tivoli Gardens; Sylvester Morgan, 24, also known as "Jonathan," labourer, of Little King Street, Denham Town; Wally Hyatt, 25, known as "Rusty," salesman, of Rema; Errol Spence, 26, otherwise known as "Nine Sting," labourer, of Sangster Crescent, Rema; Courtney Lewin, 26, labourer, of Rema; Everold Carby, otherwise called "Run Joe," 27, wood-worker, of Metcalfe Street,

Denham Town; Justin O'Gilvie, 24, labourer, of Linton Place, Rema; George Graham, otherwise called "Money," jeweller, of Pink Lane.

Also arrested was Patrick Edward, 21, otherwise called "Pee Wee," wood-worker, of Fifth Street, Greenwich Town, who has been charged with the murder of Paul Taffe, 18; Glenton Reeves, 25; Donovan Edmondson, 17, all labourers; and Claudia Walcott, 7, schoolgirl, who were gunned down on Moore Street, Rose Town, on May 25.

Reports are that the Rema seven were killed after a gang rape in Rema of the sister of a so-called "top-ranking from Tivoli Gardens" and gunmen from there stormed that high-rise community with high-powered weapons on May 8 and 9. After the gunsmoke had settled seven were dead.

On May 23, a 24-year old woman was shot dead in Denham Town and two days later the Rose Town four were killed.

From **Gleaner** investigations, it is learned that there has been "bad blood" between Rema, Rose Town and Tivoli Gardens, JLP strongholds in the Corporate Area's west.

Activists from Rema felt those from Tivoli was reaping more "political sweets" than they. Tivolites had accused Rema youths of becoming "socialists."

Reports are that Rema residents had planned to demonstrate against Prime Minister Seaga at the morning State Opening of Parliament on May 10, but JLP activists nipped this in the bud.

The internal feud continued, despite the intervention of Mr. Seaga on the afternoon of May 10, as the gun-slaying of the four in Rose Town on May 25 indicated, sources said.

Kingston THE SUNDAY GLEANER in English 10 Jun 84 p 8

[Article by G. S. Reid]

[Text]

This country was recently permitted a brief glance at what must surely qualify as one of the most extraordinary exchanges of correspondence ever, between responsible national leaders.

In the aftermath of the terrible incidents in Rema early last month, the President of the PNP, Mr. Michael Manley, wrote to Prime Minister Edward Seaga suggesting there was urgent necessity to resume talks between the two parties on ways to eliminate politically motivated violence. Those talks, he said, had been suspended since the December 1983 elections.

On hearing of the letter, I thought—that is a most responsible move! And wondered vaguely why the talks had been suspended.

Then Mr. Seaga replied to say—the talks had never been suspended, the Party secretaries had been meeting, the last occasion was in March, another was proposed for May 29, and it was hoped to lead to a meeting at top leaders level thereafter!

### Misunderstanding

It strikes me that this correspondence aptly illustrates the sad state of misunderstanding that exists between the two major political forces in this country. Their leaders cannot even agree on whether their parties have been having meetings or not! Well, whether they have been meeting or not, may not now be the most relevant question. The real question is—will they please get on with it? And not just for the sake of being able to report that they are talking, but to arrive at clear and definite commitments which we all can hear about so that we can hold them with pledges.

### Most dangerous

Any student of modern Jamaican society is confronted with a strong paradox. This, which is so much a land of fun and laughter, great sportsmen and hospitable people, is also a land of violence, and that element of the violence which has shown itself most vicious and which we have most to fear is that which is politically motivated and protected.

It is the most dangerous for two reasons

— It strikes at the heart of our democratic system by coercing people to make political choices which are contrary to their will. This makes nonsense of the expression so precious to democracy — “the will of the people.”

— Secondly, it is dangerous because those in authority whose business it is to eliminate violence and all that pertains to the destruction of the peace, are tempted to condone and protect those who perpetrate violence in their political interest (the protectors of the people cannot be at the same time the protectors of the murderers of the people!)

It is therefore absolutely essential that Mr. Manley and Mr. Seaga get together and come to some conclusions in the nation's interest.

— That they agree to purge their parties of known gun-slingers.

— That they pass the word to their underlings that any person perpetrating violence will not only receive no protection, but will in fact be handed over to the police.

### Contempt

I have heard protestations from persons high up in both parties, that they don't know any gunmen in their parties. These persons must have an enormous contempt for the public's intelligence! There have been nasty incidents in the past when said gunmen have practically imprisoned party bosses until they received their pay-offs.

The recent massacre in Rema badly exposed the flanks of the JLP. Mr. Seaga properly and of necessity went west to try and restore equilibrium. But his statement thereafter was an aberration from the path of wisdom which we can only hope was strictly temporary, brought on by extreme anxiety!

Our leaders must understand that some things, for their exemplary nature, must be done publicly and loudly. The criminals will not get the message until PNP and JLP leadership expel their gunmen and declare such supporters *persona non grata*.

## Spanish Town Riots

Kingston THE DAILY GLEANER in English 7 Jun 84 p 1

[Text]

Internal communal violence has spread to sections of Spanish Town, St. Catherine. Sixty six persons, including four females, were held as police stepped in.

In daybreak raids on Tuesday, following violence in Hanover district, police swooped on nearby communities of Tawes Pen and Thompson Pen.

In the anti-crime operations between 5 a.m. and 7.30 a.m., 51 were

held in Tawes Pen and 15 in Thompson Pen.

After processing, five were held on charges of malicious destruction of property in Hanover district which had been hit by communal violence last week, similar to that in the Rema/Tivoli affair, police sources said.

In police mop-up operations over the fortnight, goods believed to be stolen and valued at thousands of dollars have been seized.

CSO: 3298/923

**BUDGET FALLOUT: ANALYSIS, CRITICISM, CUTBACKS****Implications of Government Strategies**

Kingston THE SUNDAY GLEANER in English 3 Jun 84 pp 14, 22

[Article by Dr. Paul Chen-Young, economic and financial consultant]

[Text]

**B**UDGET presentations by the Minister of Finance have traditionally marked the official opening of Parliamentary debate and discussion on the performance of the economy, Government strategies to achieve economic growth and to improve the well-being of our people, and new directions to which Government policies will be geared towards economic and social development.

This analysis attempts to evaluate the budgetary presentation by the Honourable Prime Minister and Minister of Finance & Planning on the 24th May 1984 and to indicate some of the implications inherent in the strategies being pursued.

**PERFORMANCE OF THE ECONOMY**

Unlike past budgets, Prime Minister Edward Seaga did not deal extensively with any statistical analysis of the performance of the economy in fiscal 1983/84, although he did highlight the significant recovery in tourism, which experienced visitor arrivals of some 44% higher than the previous three years, and in commercial Agriculture, where a target of some 20,000 acres of land are to be cultivated under Agro 21.

In this budget presentation, the Prime Minister was obviously more concerned with focussing on economic strategy and the direction of the economy rather than on any lengthy statistical discussion. He appeared convinced that his economic strategies were working by pointing out that Jamaica was regarded by the World Bank as having put in place one of the most successful structural adjustment programmes with all the key economic variables, such as investment, employment, and inflation, performing reasonably well. The only area of disappointment was the inability of the country to increase its foreign exchange reserves.

Since the Budget presentation, the Economic and Social Survey has been released and from this very comprehensive document on all aspects of the

economy, certain observations can be usefully made in order for us to understand more fully how the economy is performing.

#### **(a) Growth Based on Higher Consumption Level**

Between 1982 and 1983, there was a real rate of growth of 1.8% which was achieved mainly by an increase in consumption, although exports also increased significantly but was offset by a higher level of imports. The decline in exports in 1982 of J\$298 million was reversed in 1983 with exports increasing by J\$506 million.

However, this positive development was negated by an increase of J\$625 million in imports as against a decrease of J\$48 million in 1982. The improvement in the economy in 1983 cannot therefore be attributed to any improved performance in the external sector but, more so, by higher domestic consumption, especially private, which increased by J\$703 million in 1983 as compared with J\$353 million in 1982. Government consumption increased at a lower rate while the increase in investment was only slightly higher than the 1982 figure. What is important to which attention should be drawn is that higher consumption cannot be relied on as a viable basis to generate growth.

Gross Fixed Capital Formation as a percentage of our total output continued to move in a favourable direction with an increase from J\$690 million in 1980 to J\$1.415 million in 1983. Expressed as a percentage of total output, the figures have moved upward each year from 14.5% in 1980 to 20.9% in 1983. This is a significant indicator of economic progress and it is important to note also that private sector investment has been steadily increasing with its share of total investment moving from 22.8% in 1981 to 41.4% in 1983. However, consumption still remains at too high a level at about 91% of total output without any sign of decreasing and has to be reduced in order to have any sustained economic growth.

#### **(b) Balance of Payments Hurt by Decline in Capital Flows**

In the balance of payments, the most intractable area in the economic recovery programme, the situation is disturbing. While the deficit in the current account (receipts and payments for goods and services and transfers) fell to US\$288.6 million in 1983 from US\$388.4 million in 1982, there was a major outflow in private capital movement of US\$312.1 million as against a net inflow of US\$25.7 million in 1982, resulting in a decrease in reserves of US\$279.7 million as against the increase of reserves of US\$83.3 million in 1982.

Thus, despite the major effort being made to attract foreign private investment, 1983 saw a reversal of the positive trend in 1982. Even official capital from overseas, e.g., bilateral aid and loans from international financial institutions, fell in 1983 by some US\$125 million. The deterioration, therefore, in the net international reserves to minus US\$802 million from minus US\$522 million in 1982 can be squarely attributed to both a significant outflow of private capital (some of which is illegal) and a decrease in official capital inflows. This is, indeed, a jolt to the recovery effort since steady increases in capital inflows are needed to fuel the economic recovery programme.

#### **(c) Debt Servicing Grows Worse**

When we examine the debt servicing burden, an alarming situation emerges from the information presented in the foreign exchange cash flow budget. These figures represent actual cash received and spent, and not necessarily earnings, since there could be a wide difference between what is earned and what is actually received. The 1982 figures show that cash receipts from export earnings of all types, including Tourism, amounted to US\$610.2 million against which payments for public debt, lines of credit, and private debt totalled US\$451.2 million.

Thus, for every US\$1.00 received, the country spent US\$1.06 just to service debts. In 1983, the situation worsened since cash receipts from earnings totalled US\$451.3 million, with Tourism falling to US\$120.8 million from US\$183.9 million despite the boom in 1983. (No wonder the Prime Minister



has taken such a hard line to bring in more foreign exchange from the Tourism sector.) On the payments side, US\$619.4 million was used to service debts, which meant that for every US\$1.00 received in 1983, US\$1.37 was used for debt servicing.

It is therefore understandable that Jamaica has been forced to go to the Paris Club which, despite its name and the image of luxury and opulence, serves as a forum for dealing with the poorest countries in the world who are unable to meet debt servicing obligations. According to a news release, Jamaica is seeking a re-scheduling of arrears of principal and interest outstanding as at December 1983 and also principal and interest falling due in 1984/85. The targeted amount is US\$172 million. If

agreement is reached, it would be a big boost to Jamaica's foreign exchange budget.

#### **(d) Fiscal Performance**

Actual out-turn of revenues was \$1,717 million or 14% below the 1983/84 budgeted figure of \$1,989 million, while total expenditure was \$3,051 million or approximately 12% below the revised budgetary expenditure of \$3,468 million. The overall deficit was \$1,241 million or 17.5% of Gross Domestic Product (GDP) which was worsened from the 1982/83 figure of 13.2% partly as a result of the higher cost of service debts arising from the devaluation. This situation had to be drastically reversed and probably explains the protracted negotiations with the IMF leading to a target deficit of 8.3% of GDP.

With a 1983/84 GDP of roughly \$7,089 million, the cut in the deficit to 8.3% would suggest a reduction in the order of \$652 million from \$1,240 million to \$588 million. On the basis of the 1984/85 projections, the overall deficit is \$698 million as against \$1,241 million in 1983/84 or a compression in demand of \$543 million, after allowing for revenues and expenditures of all types.

With the cut in the deficit, there could be a fall in the quality of social services although some \$420 million extra is being provided for current expenditures. The real decline will be in capital expenditures which are only budgeted to increase by \$35 million from \$631 million to \$665 million. When this is compared with the original 1983/84 budgeted figure of \$1,102 million, one can readily grasp the compression in demand which is being introduced in fiscal 1984/85.

It is significant that the Prime Minister did not disclose the terms of a negotiated IMF Agreement. In his press conference which followed, reference was made to finalizing certain arrangements as part of the package. In a JIS release on June 1, 1984, it was stated that there was a "technical postponement" and that a supplementary Paper was to be presented to the IMF Board on June 6, 1984. One suspects that there must have been some disagreement on the actual size of the deficit, which should now have been resolved, since the IMF Board will be dealing with the matter on June 6.

#### **(e) Rate of Inflation and Unemployment Contained**

Despite the falling exchange rate, the country successfully managed to maintain the rate of inflation at 11.3% for 1983, although on a year-to-year

basis, between December 1982 and December 1983, the rate was 16.7%. In light of the devaluations experienced, this is a commendable performance as is also the case in the Government being able to hold the unemployment rate at about the 27% level. By and large, therefore, with an exception of the deteriorating foreign exchange brought about mainly by a decline in capital inflows, progress was made in the key economic aggregates in 1983 with growth in every sector, except Distribution.

### **ECONOMIC STRATEGIES**

#### **(a) Structural Adjustments Programme Key to Economic Development**

One of the positive features of the Prime Minister's budget presentation was his unswerving confidence in the strategy of structural adjustment which Government embarked on in 1981. This strategy seeks to diversify the productive and export base of the country and to increase efficiency so that Jamaica's products can become more competitive in Third Country markets.

The structural adjustment initiative was also taken by him to the last Heads of Government Meeting in Trinidad and Tobago in 1982 when it was agreed that a study was to be done by the Caribbean Development Bank, to examine the dimensions of a structural adjustment programme as the strategy of development in the region, given the limited CARICOM market and the heavy dependence on one or two products by many countries.

It is a credit to the Prime Minister that, having had the foresight to initiate such a study, recent pronouncements by the President of the Caribbean Development Bank, Mr. William Demas, and the Deputy Secretary General of UNCTAD and former Secretary General of CARICOM, Mr. Alistair McIntyre, have called for the Region to embark on a structural adjustment programme as the only realistic development strategy to pursue.

It is widely accepted that in any such programme there will be a decline in the standard of living, as the economy adjusts to becoming more efficient and to expand its production base. But this fall in the standard of living will be temporary only if the economy responds to the initiatives and quickly adjusts by increasing efficiency at every level. Otherwise, the decline could be prolonged and standards of living would face a sharp decline. This was one of the clear messages of the Prime



Minister. According to him, "there can be no gain without pain".

There is an overwhelming case for structural adjustment of the economy. The present balance of payments difficulties can be attributed mainly to the dramatic fall in earnings from bauxite and alumina. In 1980, the industry accounted for 69 percent of foreign exchange each receipts from exports when it stood at US\$367.8 million while, in 1983, the amount fell US\$217 million or 48 percent. Broadening the export base and greater food self-sufficiency is therefore crucial.

#### **(b) Assistance to Lower Income Group Timely**

Since no adjustment process is without pain, and there is always the danger that the impact will be harder on the lower income groups, the Prime Minister has in his Budget presentation sought to cushion the blow by his food stamp programme to benefit 200,000 pregnant women and children up to three years old, 600,000 students, and 200,000 poor and elderly and his reduction in income tax for persons earning below \$7,000 per annum.

Not only are these initiatives useful and necessary to ease the burden of the lower income groups, but they will no doubt bolster the political standing of the Prime Minister and his Government since these are among the more far-reaching public assistance programmes with direct benefits introduced by this Government. Most of the Food Assistance Programme costing some \$141 million will be financed from food donations and suppliers credit.

#### **(c) Tourism Has Major Expansion Potential**

With average annual total occupancy rate now at about 60% the hotels are almost approaching full capacity, given the winter peaks and summer troughs. According to the Prime Minister, growth can be gradual (Plan A) with modest increase in capacity and earnings, or it can be on an accelerated basis with major increase in employment and foreign exchange benefits (Plan B).

He deftly introduced "casino gaming" as one means to unfold Plan B and release information on a proposal which would mean an additional 3,000 new rooms, 15,000 jobs, and US\$300 million foreign exchange earnings. It would be most surprising if Government has not yet already decided on Plan B and is simply awaiting the endorsement of the people for "casino gaming".

In terms of the economic realities facing the country, and the potential benefits from carefully planned and monitored casino gaming complexes and supporting facilities, the sooner we implement Plan B and get construction moving in tourism, the more speedier will be the structural adjustment of the economy.

#### **(b) Manufacturing Under Pressure To Perform By Government**

Pressure is being brought by Government on the Manufacturing Sector to use the competitive advantage of the devaluation to make a breakthrough into Third Country markets. With the impasse in CARICOM, the message is clear that manufacturers must look to extra-regional markets, especially the United States of America under the Caribbean Basin Initiative (C.B.I.) opportunities.

Response from overseas investors to assemble/manufacture in Jamaica has been extremely favourable and the Jamaica National Investment Promotions Limited cannot now cope with the demand for factory space. Hence, a crash programme to build some one million square feet of factory space. As long as our labour rates do not increase to offset the benefits of the devaluation, then Jamaica can expect a good run of foreign investment and joint ventures in manufacturing based on the C.B.I. for which the Prime Minister can claim paternity.

Important to note, however, is that existing manufacturers, plagued by credit restrictions by having to repay for imports to establish letters of credit at the auction system within their present credit limits, face a serious problem and may not be in a position to take advantage of the export market as is expected by the Prime Minister. Re-introduction of the discounting facilities for manufacturers will obviously have to be put in place quickly to provide the necessary credit support for expansion.

The present stability in the exchange rate from the auction system could be more a result of a drastic cut in demand for foreign exchange because of the credit squeeze and deposit arrangements, rather than a proper measure of true demand needed to keep production going. Demand is artificially squeezed and the uncertain question is how long can this be maintained in the productive sector. A more realistic demand picture could bring further pressure on the exchange rate.

#### **(e) Much Reliance on Agro 21**

Much has been said about Agro 21 and need not be elaborated on. What is clear from the Prime Minister's presentation is that major projects covering some 80,000 acres are being implemented or are finalized for implementation to cover both the local and export markets. Information on the financial reliability of projects, such as Spring Plains, is still not public and there is skepticism in certain quarters about high level of public sector support. Problems are probably being encountered but one positive feature is that there is now a national sentiment and interest in commercial agriculture, on which the Government is placing great reliance to create employment and foreign-exchange in the restructuring programme.

#### **(f) Real Divestment Could Now Take Place**

To demonstrate that the Government is about

to take the divestment programme seriously, the Prime Minister announced that he would be placing all shares held by Government in production enterprises with a National Investment Corporation. A commitment has been given to speed up the divestment process by issuing shares through the Jamaica Stock Exchange. This will be welcomed by the investing public and will provide a filip to the capital market.

There is now a pent-up demand for shares and Government should experience little difficulty in disposing of its shares in profitable enterprises through the Stock Exchange. However, shares in new ventures and struggling enterprises with potential might have to be privately placed. A meaningful divestment programme can now be anticipated.

In conclusion, the Budget had the distinctive character of focussing on the economic strategies being pursued to structurally adjust the Jamaican economy instead of belabouring us with a barrage of statistics. The economy is being slowly transformed and the Prime Minister seems convinced that Government's structural adjustment policies

are working.

The stabilization programme and greater efficiencies in the public and private sectors are necessary before economic progress can be made. But such policies are not without pain and his food support and tax concession programmes to the lower income groups are a realistic attempt to cushion the blow. Urgent expansion of the productive capacity in tourism, agriculture and manufacturing is to provide the filip needed to accelerate the development effort.

The Prime Minister has presented his most difficult Budget with pragmatic economic strategies supported by practical supportive programmes for the lower income groups. The economy is already responding positively to the restructuring programme and, although we are still at a juncture, the medium term prospects are good for the economy provided fiscal discipline is maintained, foreign exchange resources are efficiently utilized, and the private sector grasps the opportunities which are becoming available in the restructuring programme, especially export activities.

### Seaga on Revenues

Kingston THE DAILY GLEANER in English 6 Jun 84 p 1

[Text]

In the first two months of the new taxation measures introduced in April, the total revenue targets have been exceeded by \$10 million, Prime Minister Edward Seaga told Parliament last night.

Mr. Seaga said that the target for May/April was \$251.42 million, while the performance of the revenue for the period was \$261.583 million which was an excess of \$10.163 million.

The Prime Minister said that in April there was a \$6 million deficit in the target for that month because some of the taxes which should have come on stream in that month did not. Those taxes which came on stream in May showed a surplus of \$16.4 million over the target for that

month.

Mr. Seaga said that this happened despite the fact that "it has been argued by persons who keep meetings in the hotel rooms and who brought people from nine parishes last night (Monday) to attend a meeting, that the Government would not be able to raise the taxes that it has set out in the revenue budget this year."

The Prime Minister said it was also argued that the Government would not be able to keep within the expenditure limits of the budget.

However, he said, while the projected expenditure for April/May was \$480.4 million, the actual performance showed that \$413.4 million were expended, which meant that the target was underspent by \$67 million.

### PNP Critique, Other Criticism

Kingston THE DAILY GLEANER in English 6 Jun 84 pp 1, 3

[Text]

The Government intends to impose additional taxes to the tune of \$427 million "like Nicodemus in the night," according to the President of the People's

National Party, Mr. Michael Manley.

He said that Mr. Seaga hoped to get the taxes through the "magic" of the ad valorem tax. Mr. Manley

explained that this method of taxation was "connected to the value" and that every customs duty or excise duty calculated at a percentage would be increased through further devaluations.

"If price increases are going to be so rough, it's not salt you're going to suck but it's arsenic," Mr. Manley told thousands of party supporters in a huge crowd including members of the Diplomatic Corps in his "Budget Presentation" at a special session of the "People's National Forum" in Half Way Tree Square on Monday night.

He expressed doubt, however, that Mr. Seaga was going to achieve this level of taxation and said the only way that that could be done was if he (Mr. Seaga) was going to move from devaluing "the \$1 to the \$2 as well."

Mr. Manley told the crowd that last year's budget was a "lie," that it was unbelievable as the country had been informed that the Government would have borrowed J\$932 million but the source was not disclosed. Six weeks later the figures were slashed and the Budget collapsed.

Giving examples of last year's cuts, Mr. Manley said that the construction budget was originally \$111 million but cut down to \$78 million while the education capital budget was \$40 million at first but pruned to \$24 million.

On this year's budget, he said that he predicted that the Government could not raise the revenues they claimed neither could expenditure be held at the stated level. "On both counts history will prove that the budget is bogus," he said.

Mr. Manley said that Mr. Seaga had claimed that revenue was to be increased from \$1.7 billion to \$2.65 billion, an increase of \$950 million. Some \$138 million in visible new taxes had been imposed a few weeks ago, he said, and Mr. Seaga thought he was "cure" when he unveiled a \$45 million tax package.

Mr. Seaga also claimed that he would raise \$340 million extra from bauxite but Mr. Manley said that he doubted that. The revenues outlined left a gap in the budget of \$427 million to be found.

"We're in for a rough time and all because of mismanagement between 1981 to 1983. No one has the courage like us to come out and say we're in trouble. We had the courage to tell the truth. Massive suffering is in store."

Mr. Manley said that it was impossible to achieve the revenue targets and also to contain recurrent expenditure to \$2,827 million. He recalled that last year the estimates tabled were \$2,124 million; however despite restrictions on all expenditures, it was impossible to keep expenditure to that level as it was increased to \$2,442 million, an increase of 15 per cent.

"Therefore, we argue it will be impossible to keep recurrent expenditure at \$2,827 million, short of closing down part of the state machinery," he said. Mr. Manley predicted that recurrent expenditure would go beyond \$3,000 million.

Stating what he termed as several examples of the bogus nature of the recurrent budget, Mr. Manley said that electricity rates had gone up 116 per cent in the last five months, yet allocations for public utility payments in several cases were the same or less than 1983/84; in the case of the Office of the Prime Minister the allocation was \$492,000 last year as against \$472,500 this year, Supreme Court \$220,000 compared to \$195,000 this year and Ministry of the Public Service, \$721,000 against \$701,000 this year.

The capital budget had been either slashed, scaled down or projects often of importance in terms of employment removed. Allocation for main roads minor improvement was \$2 million last year; this year nothing had been voted; nothing for farm roads; rural road improvement had been cut to \$9.95 million from an original \$27 million last year to \$55,000 this year, he said.

In the Ministry of Construction the housing fund last year was \$17.1 million but this year there was nothing; Ministry of Local Government road construction in rural areas had its vote totally eliminated this year, moving from \$5.2 million originally to \$1.2 mil-

lion in the supplementary estimates.

Road construction under the K.S.A.C. had an original estimate last year of \$6.7 million which was cut to \$3.9 million but this year the cut was \$1.5 million, Mr. Manley said.

Turning to the proposed redundancy in the Civil Service, the PNP President noted that the Government said there would be a \$69-million saving in this exercise but there was no indication as to how this would be done. He declared that for the Government to save that much there would be layoffs of about 7,000 workers, yet the Government said it was not going to lay-off.

"If you're going to lay off workers in the Civil Service, you start with dialogue for you're dealing with human beings. Every one that goes is a human being with a wife or husband and children. It's typical of this Government that they have no concern for the workers."

The Party demanded, he said, a careful human resource management programme to rationalise and reform the Civil Service. The programme must be guided by examination of tasks and not personalities and must involve a wide cross section of the Civil Service.

There should be a humane programme of adjustment consisting of adequate notice, mechanism to assist finding new jobs, fair compensation and careful study of savings by reducing reliance on expatriates, he said.

On the food stamps, Mr. Manley said that it proved to the nation that a serious problem of malnutrition was developing; however, he urged his supporters to take a little powdered milk if they could get it.

"We're going to be terribly vigilant to ensure that those who should get, get because malnutrition is going to be worse yet." Jamaica had become the leading beggar of the Third World, he observed, adding that the Seaga model was bankrupt.

Mr. Manley touched on the proposed \$500,000 allocation to

Members of Parliament, calling on the PNP representatives to identify projects to be implemented and they should go to the Ministries for them to be put in place.

"Jobs will be there and the PNP wants its share of those jobs. Go to the bogus office every week and demand your jobs and if you don't get, make sure they tell you why you don't get yours."

## WATCH FOR CORRUPTION

The Party, he said would be watching closely to spot corruption or "pork-barrelling" identifying priority needs in constituencies and demanding inclusion in programmes.

Mr. Manley described Mr. Seaga as a false prophet as the Prime Minister predicted that the growth for 1982 would be 4 per cent but 1.7 per cent was claimed, yet it turned out to be zero growth; in 1983 a 5 per cent growth was predicted, it now turned out to be 1.8 per cent but the people knew what was happening in reality.

Other predictions were that capacity utilisation in the manufacturing sector would have been 80 per cent but it turned out to be 50-55 per cent in reality. He also spoke of predictions in sugar, banana and bauxite production which he said all fell below the targets predicted.

Describing Mr. Seaga as a "deceiver concealer," Mr. Manley gave seven dates from November 1983 on which he said Mr. Seaga claimed that the IMF Standby Facility would have been in place but until now the country has not had the agreement, only that a new date has been set for June 7.

"If we can get foreign exchange like we get dates with the IMF, the country would have no problem," he said. He urged the Government to "level with the people because we're tired of the lies."

## CASINOS: NO GUARANTEES

He mentioned that the Government was staging side shows to stir

up a new sense of false hope among the people everytime that a problem arose. These, he said, were the Rockefeller Committee which came and left without the much talked about foreign investments; Agro 21 which was to be the saviour of Agriculture and hope for the future but now taking its toll on the small farmers; the Grenada invasion; the "bogus election;" and the suggestion that Jamaica should become a military base.

Mr. Manley said that "we want no foreign military bases in this country," as he pointed to "an old voice from the colonial past" who made this suggestion but they backed off because the reactions were bad.

Focussing on the casino gambling debate, he said that the Party was giving no assurance to prospective investors on casino gambling. Both the PNP and the JLP had stated that they opposed casino gambling; but it seemed that the JLP had changed its mind, presumably because of the failure of its economic model.

Mr. Manley announced that the PNP had set up a serious committee because it wanted to find out exactly what was proposed. "We know that the Government and its casino collaborators are planning."

He quoted from a document which he waved to the cheering supporters:

"The government's decision about casino gaming has already drawn strong comments from certain quarters of the country. The exercise should from henceforth be referred to as 'casino gaming' and not gambling. This subtle euphemism contributes to a demythologization of gambling by highlighting the fun and entertainment aspects.

"The country should be bombarded with statistics, inundated with personal histories and success stories of successful casinos, flooded with tear-jerking stories of hospitals, destitute and handicapped people who have benefited from casinos. We believe that tangible cases of good will be more persuasive to the doubters

than rumours of shadowy mafia figures."

What the JLP was really telling the people was that there would be some financial benefits from casino gambling and to try to prove that they have a lot of figures from the Bahamas.

Advancing what he said was his personal opinion, Mr. Manley said that when he looked at the figures, they did not convince him. Furthermore the decision to introduce casino gambling had been taken already because while it was heard that the question must be left up to the people to decide, the Prime Minister was announcing that Montego Freeport was going to the first site.

He said that the social cost would include prostitution and crime and his concern was that although these two activities were here, casino gambling was going to make it worse.

"Anybody who tell you it not going to make it worse, I call them a liar publicly. Let them come to me plain and say, 'Look we are going to pay a heavy social price but we going get some more money.'" Mr. Manley said that he would respect that as an honest argument and he would then ask to be shown how the extra money would come.

He indicated Atlantic City in the U.S., adding that it had a massive crime rate, massive prostitution, beautiful hotels and casinos but also some terrible slums next door.

He called casino gambling another side show because everytime that Jamaica had a problem there was somebody to take our minds off what the people needed to do and wave out some new magical hope that was going to solve the problems.

Mr. Manley declared that the PNP was issuing no blank cheques on casino gambling. "Let everyone proceed at their own risk," he added, "If you want to go ahead, go ahead, because you have the legal power to, but we are giving no assurance."



Mr. Manley said that the Government had Jamaica in a "clearance sale on knockdown prices" and the country was "rapidly becoming the world's bargain basement;" used hotels for sale, and food stamps for salvation.

In three years, December 1980 to December 1983, the JLP had borrowed US\$1.4 billion and the

national debt was now \$3.2 billion. Translated, he said, the country owed about US\$1,600 for every man, woman and child and it would have been worse but no one would lend the Government in 1983.

He said that a PNP Government would call for self-reliance and sacrifice, although it would still see the need for foreign investments.

## Public Sector Cutbacks

Kingston THE DAILY GLEANER in English 4 Jun 84 p 12

[Text]

Government's policy to effect "a significant reduction in the levels of public sector spending", in so far as it relates to Local Authorities, was spelt out to Mayors by the Minister of Local Government, the Hon. Neville Lewis, at a meeting with them at the Ministry on May 29.

Mr. Lewis told the Parish Councils' chief executives:

- Local Government Authorities will have to be so managed that, so far as is possible, there is no wastage.

- In order to maintain those services essential to ensuring clean cities and efficiently operating services, Councils will have to exercise the most stringent controls on the expenditures from their budgets.

- It is an inevitable consequence of the reduced budgets that redundancies will arise, but this does not mean that lay-offs will be the first resort.

- If jobs held by persons due for retirement are essential, the existing work force can be re-deployed to carry out these tasks.

- The budget figure for personal emoluments must not be exceeded.

The Minister explained that the policy to be pursued is that when vacancies arose from retirement, resignation or otherwise, appointments, temporary or otherwise, were not to be made to those posts without specific approval.

He observed that the key positions in Local Authorities would not present any difficulty where approval was sought, "but it is the intention that the filling of these posts do not result in the employment of new staff".

Mr. Lewis pointed out that the budgets which he should shortly be approving would attempt to address the needs of the essential

services, such as Water Supply, Fire Services and Public Cleansing. It might be felt, he added, that adequate funding was not provided, but he would rely on the good management and strict controls by the Councils and the administrative officers to ensure that there was no over-expenditure.

The revision of charges and fees by Councils, the Minister proposed, would result in significant increments to the revenue raised at the local levels. He, however, instructed the Mayors that where services were being given out without charge, "your recommendation for imposing charges or fees should be submitted for consideration".

The Local Government Minister emphasised that the budgets for Parish Councils must be viewed in the context of Government's intention to reduce the Budget deficit from 15.4% to 8.3% of Gross Domestic product.



## CANADIAN DEVELOPMENT PROJECTS HERE TO GET MORE FUNDS

Kingston THE DAILY GLEANER in English 6 Jun 84 p 25

[Text]

Canadian development co-operation programmes in Jamaica including projects for food and commodity assistance will move up to at least C\$25-million this year, an increase of C\$4-million over last year's.

This was announced by the Canadian High Commissioner to Jamaica, Mr. David Reece, on May 30.

He was speaking at the official opening of the new bridge at Thomas River which links Chapelton with Frankfield, Clarendon. The project is a Jamaica-Canada joint venture in terms of the Dominion's AID package to Jamaica.

Canada, the High Commissioner said, would engage itself in another highly practical and basic field project by participating in the Morant River, St. Thomas, hydro-electrical development scheme.

This project on which work will begin later this year, is expected to yield 220KW of electricity. And this

would initiate a national programme of several hydro-electricity projects, the value of which to Jamaica today, could not be under-estimated, he stated.

The programme, the High Commissioner continued, is in keeping with Canada's renewed pledge at the St. Lucia Conference in 1983 to double Canadian Development Assistance to Commonwealth Caribbean countries in five years.

Expressing gratitude to the Canadian Government and people, the Minister of Construction, Hon. Bruce Golding, described Canada as "Jamaica's only source of assistance in the Government's bridge building and repair programme, where unlike some other international agencies, our hands are not tied during negotiations."

He explained that Jamaica has had to meet certain criteria when it negotiates with some international agencies so as to qualify for assistance.

Jamaica, Mr. Golding pointed out, has 800 bridges on its 10,000 miles of roadway. Some of the 800 bridges have already been identified by the Government for rebuilding. It was not Canada's fault why the programme had not been advanced beyond the present stage, because the Canadian Government had always been willing and ready to assist.

Canada, he explained, assisted with the building of the Bustamante Bridge, at Church Corner, Morant Bay, St. Thomas. And that bridge was not only the longest road bridge in Jamaica but also in the English-speaking Caribbean.

It was important for the country to understand, Mr. Golding said, that all joint venture programmes require comparative financial resources to put them in effect. It was due to lack of resources, therefore, that the bridge programme had not been advanced space with

schedule, and Canada should not be blamed, he emphasised.

Mr. Golding said that Jamaica "has completed arrangements with Canada to build another 14 bridges in Phase 6 of the programme. One of these bridges will be over Gordon River in Summerfield, for which Dr. Percival Broderick, Minister of Agriculture and MP has made strong representation," he said.

The country's Rural road Improvement Programme was also referred to by the Minister who, expressed his admiration and regard for rural people, "whose social needs we have had to address."

JIS

## SHEARER WARNS EXPORTERS AGAINST RULES VIOLATIONS

Kingston THE DAILY GLEANER in English 13 Jun 84 pp 1, 3

[Text]

A warning to would-be transgressors of the export regulations that "government is firmly committed to stamping out violations," was issued by Acting Prime Minister and Minister of Foreign Affairs, the Rt. Hon. Hugh Shearer. At the same time he announced the introduction by September of a new Certificate of Origin System covering the exports of garments and textiles.

Mr. Shearer was launching National Export Week at a ceremony in the Pegasus Hotel on Monday night. He said the new measures had become necessary because of transgressions which had recently come to light.

These included attempts to ship fully finished or nearly finished goods into the island and export them under 'made in Jamaica' labels and the increasing use of shipments of fresh and processed foods to the USA to conceal exports of ganja.

Mr. Shearer said: "This government is firmly committed to stamping out such practices. I serve notice on would-be transgressors that the game will not be worth the candle. Our trading partners can rest confident in our determination to maintain our integrity in this matter."

As a preliminary step in this direction, we plan to introduce a new Certificate of Origin System covering exports of garments and textiles. The necessary order, using the authority of the Hon. Minister of Industry and Commerce under the Trade Act, will be signed shortly, and the system will be operational by September 1.

"The System will have the follow-

ing broad characteristics:

"1. No product covered by the regulations may be shipped from Jamaica **without** a certificate of origin specified by, and issued by the Jamaica National Export Corporation. The **only** exception to this general rule, will be textile products manufactured under 807 contracts with U.S. authorities which already incorporate an origin system, which satisfies them.

"2. A register will be established of companies which have satisfied the Jamaica National Export Corporation, that they are physically capable of producing the products in respect of which they are registered, and that they are running their businesses in an appropriate way, especially in respect of their record-keeping.

"Applications for Certificates of Origin under the system, will **only** be entertained from registered companies. All companies including 807 will be required to give export production forecasts.

"3. Certificates of Origin will be required before any shipment of products covered by the system will be permitted to leave the country. Exporters will have to satisfy the JNEC that they have in fact produced the goods leaving under their name, and that they do conform to the criteria of origin.

"4. There will be adequate penalties to enforce compliance. The most effective, of course, is that offenders will be refused certificates of origin for a specified period and will, therefore, be prevented from trading."

The Acting Prime Minister then added:

"If this measure sounds stern, Mr. Chairman, it is because the action is required to uphold our integrity as international traders.

"I should also add that it is our intention to extend the system to cover all shipments to CARICOM, thus upgrading the provisions already in operation in respect of that market. This is in keeping with the recommendations of the Customs Committee of the CARICOM."

Mr. Shearer issued his warning about export regulations, as he discussed the question of "criteria of origin," as they related to the several preferential agreements like the CARICOM Treaty, Lome Convention, CBI and GSP Schemes of Canada and other countries, under which Jamaica traded. A common feature of all these agreements was that they established strict "criteria of origin" to ensure that goods shipped under their terms, did in fact come from the countries able to claim that privilege.

These criteria of origin could be based on either the relationship of the value added to the product in the country from which it originated, to its total value on leaving that country, or the level of transformation undergone by the components in the exporting industry. In the case of products shipped to the USA under the CBI, for example, the criterion of origin was that the value added in the beneficiary country must be not less than 35 per cent of the total export value of the product. He went on to add:

"Jamaica must be constantly vigilant to ensure that products shipped from this country under any and all of these agreements, do in fact conform to these criteria of origin.

"There are reasons for this: if goods are shipped through this country from some third source, and are passed off as being of Jamaican origin thus qualifying for entry under preferential terms into a country with whom we have a trade agreement, it does nothing for our economic well-being, either in terms of jobs created, or profits earned, and opportunities created for Jamaican business. If the entry of the product in question is regulated by quota, the matter is even more serious, as the spurious shipment will be counted against our quota, without us earning any benefit from it at all.

"Another reason for enforcing very strictly, the criteria of origin laid down by the various agreements, is that there is a very real fear in developed countries that unscrupulous producers in third countries, will take

advantage of the preferential benefit for exports to their markets, to put their own products into that market; and developed countries are taking very stern measures to guard against this. The measures they take greatly inconvenience bona fide exporters in developing countries like Jamaica."

Declaring that Jamaica must also guard against such injurious conduct, the Acting Prime Minister said that only recently, for instance, a shipment of material arrived in Jamaica from an overseas destination.

"Mr. Chairman, to our shock, Customs found that while described as 'raw materials,' 90 per cent of the shipment was found to be fully finished goods, while the balance required only minimal stitching. There was also a package of labels marked, 'Made in Jamaica,' in the container.

"I need not dwell, Mr. Chairman, on the reception that would have been accorded our textile shipments in future, had this lot been detected by U.S. Customs over there; instead of by our own Customs officers here."

Mr. Shearer also mentioned what he termed the "deeply disturbing development" — the increasing use made of shipments of fresh and processed foods to the USA, to conceal exports of ganja. He described the development as "this vile traffic," which could do much damage to our export trade.

U.S. Customs representatives indicated that rigorous scrutiny, and the use of new detection technology, had led to increasing finds of ganja shipments from this country.

"During May alone this year, they had found sealed in tins of Milo, in Tia Maria bottles as oil, and in one instance, 7,000 lbs. of the drug at the bottom of a tank of molasses."

The JNEC became aware that U.S. Customs had begun to detain shipments of Jamaican foodstuffs for periods of from 3 to 12 days because of discoveries of smuggled ganja. For perishable products, he said, such detentions could be disastrous.

Mr. Shearer said he understood that in Miami, Customs officers were drilling holes in furniture or even knocking pieces down, because this was a well-known form of concealment used by ganja smugglers.

The American Association of Importers of Jamaican Products (AAJIP) — a body which he had the honour of launching last December — had expressed its concern at the situation.

Mr. Shearer said that, as was always the way with such matters, "the just, the bona fide Jamaican exporter

and the legitimate American importer, are being affected even more than the unjust, by the precautionary measures the U.S. authorities feel obliged to take."

In response to these situations, the JNEC head office had alerted the Police Narcotics Division here in Kingston and had also briefed the leaders of the Private Sector Organisations on the gravity of what was taking place.

In New York, the JNEC's Trade Commissioner, Derrick Cox, met last week with representatives of the U.S. Customs Service to consider ways of speeding up the inspection process to enable legitimate exports to proceed at a regular pace.

Mr. Shearer said that although they were aware of the losses being suffered by Jamaica as a result of the measures they were adopting, U.S. Customs could give no assurances that they would relax their vigilance when faced by a problem of this magnitude.

"The main offenders seem to be one-shot exporters who make only occasional shipments into the market to cover their ganja trafficking. A system is being put in place to separate bona fide exporters from the one-shot exporters.

"We also have in mind making foodstuffs subject to the certificate of origin procedures which I have already told you about. Such a measure would at least ensure that only repu-

table firms who value their status as registered Jamaican producers and traders would be able to engage in the exportation of foodstuffs."

Mr. Shearer several times mentioned the seminar on "Managing the Challenges of Exporting in the 1980s," which was a feature of the week's celebrations, due to take place today. He said Jamaica's agro-industry had a definite competitive advantage in international markets; the government had done everything possible to stimulate overseas trade, and everything now depended on the response of the agricultural and manufacturing sectors to the positive measures taken by the government. He hoped that these matters would feature in the seminar.

Monday night's occasion, which was both a reception and a launching ceremony at which awards were presented to those exporters who had exported a million dollars and five million dollars of goods for the first time last year, afforded the guest speaker the opportunity to congratulate these exporters. He congratulated the managements and their workers for this outstanding achievement "which can only result from the highest quality of team-work. But in offering my congratulations, let me also point out that there are still greater heights to be scaled."

The Acting Prime Minister then presented the awards to the winners.

## 1983 GROWTH RATE IN AGRICULTURE BEST OF ANY SECTOR

Kingston THE DAILY GLEANER in English 9 Jun 84 p 12

[Text]

**T**HE GROWTH RATE OF THE AGRICULTURAL SECTOR EXCEEDED the growth rate of any other goods-producing sector of the economy during 1983. And the export of non-traditional food from Jamaica stood at \$26.7million, reflecting an increase of 35.5% over the period 1981 to 1983.

As a result the growth in non-traditional food crops is regarded as one of the dynamic components of the agricultural sector.

These declarations were made by the Minister of Agriculture, Hon. Dr. Percival Broderick during the conclusion of his contribution to the 1984 Budget debate in the House of Representatives, on Thursday night, May 31.

Dr. Broderick said:

"Economic statistics for 1983 tabled in this House unmistakably confirm continuation of the positive trends began during the last Quarter of 1982. The Gross Domestic Product (GDP) contribution of agriculture during 1983 ... was 5.5% above the level of the contribution made by the sector during 1982. Contributing significantly to agriculture's recovery during 1983 was domestic agriculture which grew by 8.6% and export crops (other

than sugar cane which expanded by 4%.

Within domestic agriculture it was the small farmers production of root crops that accounted for most of the growth. Value-added in root crop production increased from \$32.7 million in 1982 to \$34.8 million (or by 9.8%) and other primary products increased from \$37.1M to \$39.9m (or by 7.5%) over the same period.

●  
"The growth of the agricultural sector during 1983 is significant. Agriculture's growth rate was indeed unexceeded by the growth rate of any other goods-producing sector of the economy; and within the 12-sector matrix of Jamaica's national income and product accounts, agriculture's growth performance during calendar year 1983 was second only to that of financing and insurance services.

At the same time this outstanding performance of the agricultural sector during period of severe foreign exchange constraints and decline in the external value of the Jamaican dollar is clear testimony of the correctness of this Government's sectoral priorities in emphasising those economic activities (like agriculture) whose absorption of net foreign exchange per unit of output is minimal.

"All sectors of the economy, recorded an average rate of 1.8% during 1983 after zero growth during 1982. Agriculture; forestry and fishing has led the economic recovery of the Jamaican economy.

In weighted terms the contribution of the agricultural sector to growth during 1983 was 0.43 or 24% of the average rate of growth.

The full significance of this contribution to growth by the agricultural sector during 1983

becomes strikingly apparent ... when we observe that agriculture's total contribution to G.D.P. at constant prices does not exceed 8%.

"The value of all major agricultural products except sugar and citrus increased between 1982/83. In the case of cocoa, production increased by 92% between 1982 and 1983 while for copra production in 1983 was 66% over that in 1982.

"Sugar production declined 1.5% during 1983. There was some improvement in the quality of canes milled the TC/TS ratio moving from 12.47 in 1981/82 to 11.61 in 1982/83. Export of sugar declined by 1.2% in volume but the value of sugar exports increased by 16.7% between 1982/83 reflecting largely the positive impact of the devaluation of the Jamaican dollar. Production and export value of spice ... increased by 21.9% and 96.4% respectively between 1982 and 1983.

"The quantity of cherry coffee delivered to the Coffee Industry Board increased by 32% between crop years 1982 and 1983.

"A significant expansion compared to the 4% growth recorded between 1981 and 1982. The value of coffee exports increased by 46.5% between 1982 and 1983.

"Non-traditional exports of food from Jamaica increased from US\$19.7 million in 1981 to US\$21 million in 1982, and in 1983 stood at US\$26.7 million, reflecting an increase of 35.5% over the three-year period. We consider the growth in non-traditional food crops to be one of the dynamic components of the agricultural sector.

"The most recent statistics from the data bank and evaluation division of my Ministry reveals that domestic food crops production continued to move ahead in the early months of 1984.

"In respect of Agro-21 projects a number of spectacular developments continue to take place.

"● We also note that there is continued support by this Ministry and Government for farm organisations:

"● This year we gave the JAS over \$1.7 million.

"● The building of 10 rural parish markets is another accomplishment.

"● Twelve vet clinics are presently in construction.

"● Producer marketing organisations are being formulated.

"● Assembly and grading stations are being established.

"● The establishment of a fumigation and certification centre to facilitate export sales is being established.

"● This Ministry, Land Authorities, agencies dealing with agriculture, the workers, are all committed to the farming community and the further expansion of the agricultural sector.

"● We may not have all the solutions, but we certainly have the will."



## DEALINGS WITH BRITAIN BRING POSITIVE ADVANCES

## Renewed Military Exchange

Kingston THE DAILY GLEANER in English 8 Jun 84 p 1

[Text]

After a lapse of four years, the British Army and the Jamaican Defence Force have resumed their programme of reciprocal defence exercise under the code-name "Exercise Trimeraft-Pikestaff", formerly known as "Exercise Calypso Hop".

On Wednesday, a group of 140 soldiers from the Jamaica Defence Force (J.D.F) flew to Dover, in south east England to complete a month of attachments designed to improve their management and training skills. While in Dover, the JDF will be quartered at the barracks of the 2nd Battalion Royal Irish Rangers (2R Irish).

Earlier Tuesday a company of 2R Irish flew into Montego Bay. They will be based at Montpelier Camp and will be exercising in Cockpit country. During their month's stay in Jamaica, the 2R Irish will be running training cadres for JDF officers and NCOs.

A news release from the British High Commissioner said:

"The British Government is pleased that 'Exercise Trimeraft-Pikestaff' is taking place again after a gap of four years.

As a friendly gesture to the Jamaican Government, it has been very happy to meet the full cost of the airfares for the Jamaican contingent."

The Royal Irish Rangers were formed on July 1, 1968, from the amalgamation of the Royal Inniskilling Fusiliers, the Royal Ulster Rifles and the Royal Irish Fusiliers. They consist of two regular and two territorial (Reserve) battalions and inherited the traditions, customs and reputation of the three old regiments, so their history stretches back as far as 1689.

Between them the regiments have 157 battle honours of which 41 are borne on the Queen's Colour and 35 in the Regimental Colour. Since 1968 the two regular battalions have served in Gibraltar, Tobruk, Bahrain, the United Arab Emirates, Canada, U.S.A., Belize, Cyprus, Berlin and Germany. 2R Irish is the last surviving Irish Infantry Regiment in the British Army.

## Air Agreement

Kingston THE DAILY GLEANER in English 4 Jun 84 p 1

[Excerpt]

**A** COMMERCIAL AGREEMENT HAS BEEN SIGNED between Air Jamaica and British Airways to allow both carriers to operate joint services on the Jamaica to United Kingdom route.

The two-year accord was signed in Montego Bay on Saturday between Air Jamaica chairman Mr. Tony Hart, and British Airways General Manager for the Americas, Mr. John Meredith.

This is the first time in the Caribbean that two national carriers have reached such an accord on a route "so important to the ethnic and trade links", a spokesman said.

Speaking to reporters at a joint press conference at Donald Sangster International Airport on Saturday afternoon, Mr. Hart said that Air Jamaica will be controlling all the operations under the agreement here such as ticketing, servicing and promotions, while British Airways will be doing likewise in London.

The agreement not only takes in two direct flights to the U.K. but also offers connections via Miami. Mr. Hart said there was the possibility Air Jamaica might increase its flights to Miami because of the anticipated increase in traffic.

Air Jamaica with its Miami services offers same-day connection to British Airways London flight. Also, baggage can be checked right through from Kingston to London without the necessity to clear U.S. customs.

Mr. Hart denied that the merger was an effective withdrawal of Air Jamaica from the trans-Atlantic route, declaring: "It's a joint operation; it doesn't matter who flies the plane. Air Jamaica is making a profit out of this deal and achieving its objectives of bringing more tourists and sending more freight".

Mr. Meredith said he believed that both airlines would make money out of the deal, where neither of them was making money on this route before. The best possible motivation was if one could turn from a loss into a profit position, he said.

## GLEANER REPORTS THREAT TO EMPLOYEE, COST OF POLICE ABUSE

## Action Against Photographer

Kingston THE SUNDAY GLEANER in English 3 Jun 84 p 1

[Caption for photograph under the heading "Fettering the Press"; photo not reproduced]

[Text] This photograph was taken Friday afternoon just seconds before the out-of-uniform policeman, (second from right with left arm raised and finger pointing), assaulted a Gleaner new photographer whom he collared and threatened to beat up if the photographer took any pictures of this scene of a homicide at the intersection of Knutsford Boulevard and Dominica Drive. There, about 20 minutes earlier, a policeman had shot dead a man, (see arrow), said to be a sidewalk citizen of unsound mind who "lived" in the area. As the photographer arrived on the scene, camera

around his neck, several of the policeman in this photograph shouted: "No picture, no picture", as if they had something to hide. Some showered indecent language both on the photographer and on a crowd of eye-witnesses and passers-by and people who work nearby who were protesting against the manner in which they said "the madman" was slain. When the photographer told the policemen that he was within his rights to take photographs on a public thoroughfare, several of them in and out of uniform, threatened to take away the camera and "break it up". One policeman actually held onto the camera but released it when the photographer told him the camera cost \$4,000. The out-of-uniform policeman (second from right) then walked across, cursing and grabbed the photographer by the collar, yanked him off the sidewalk, and patting the firearm stuck in his waist, threatened to beat up the photographer. When the photographer pointed out to the policeman that the policeman had assaulted him, the policeman threatened to "soon give yu what yu looking fah". Also, the policeman threatened the photographer to "tek care a yu" and to "set yu up".

## Claims Against Police

Kingston THE DAILY CLEANER in English 7 Jun 84 p 1

[Text]

Costs against the Government resulting from claims made on behalf of persons who have suffered injuries at the hands of the police in recent incidents have amounted to almost \$800,000.

According to Police Commissioner Joe Williams who made this disclosure Monday night while addressing a police graduation at the Twickenham Park Academy, the Government was now hard-pressed for money to settle some of these claims.

Citing four such cases of claims for damages, the Commissioner said that in April and May alone this year the Government was required to pay out \$275,000 in costs arising from two incidents involving police excesses.

Referring to another case in which the victim ended up a paraplegic at the Mona Rehabilitation Centre after being beaten and shot, the Commissioner said claims against the Government in that case was \$276,950.

In the fourth incident cited by Mr. Williams, police action resulted in the victim losing his eyesight and

he was seeking compensation amounting to \$194,000.

The Police Commissioner had given those examples of the grave consequences of police abuse of authority as he sought to impress on the graduating class of 102 policemen and women the importance of abiding by their oath of office and the Constabulary's Code of Ethics in carrying out their duties.

Mr. Williams blamed much of the excesses committed by the police on the intemperate use of firearms. He expressed reservations about cases of the police shooting people whom it is alleged attacked them with knives, and questioned how effectively the police were utilizing the training they received in handling such situations.

The Police Chief further urged the graduates not to despair or to over-react to incidents of criminal attacks against the police. He spoke of recent examples of such attacks as a Special Constable shot by gunmen while on duty at the Animal Hospital dying days later in hospital, and a regular policeman who after being threatened by a man at his home on Mountain View Avenue was shot and injured by the man who left and returned armed with a gun.

CSO: 3298/924

## PAN LEADER CONFIDENT OF BIG ELECTORAL WINS IN 1985

Monterrey EL NORTE in Spanish 23 May 84 p 1-A

[Text] Mexico City, 22 May--The PAN [National Action Party] national leader, Pablo Emilio Madero, claimed that in the 1985 electoral processes, PAN would win at least four out of seven governorships and 50 percent of the federal deputyships, as well as a considerable number of town halls.

He announced that, in the municipalities in which National Action loses or the electoral commissions do not acknowledge its victories, "popular town councils" will be established, just as they have in Mexicali, Baja California, paralleling the town halls, in order to help solve the collective problems.

At the same time, the PRI [Institutional Revolutionary Party] senator, Manuel Ramos Gurrion, described the statements made by Madero and the capital PAN leader, Miguel Hernandez Labastida (who claimed that his party would "pulverize" PRI in the Federal District), as "lacking in responsibility and political maturity, publicly making these attempts to prophesy the direction in which the people's desires will be expressed in a still distant future."

He remarked: "The Panistas, used to dealing with fixed-term mortgages, desperately want to be able to obtain the people's backing in order to bring victory to their interests"; adding that the PAN leaders "are lacking in the respect that the Mexican people deserve," and depicting them as "inconsistent, because they do not engage in party work of a permanent nature."

The Veracruz legislator declared: "PAN has become a symbol of those handling the country's oligarchical interests at their whim"; whereas, on the other hand, "our party, the Institutional Revolutionary Party, is involved in a lively, dynamic process of renewal, which is possible only when one has the backing of the popular rank and file."

Ramos Gurrion invited "the Panistas to hold, as we are, on the same date and with extensive registered participation, 300 meetings of their party, such as we Priistas did on 20 May."

He said that the Panistas' claims are marked by a regrettable presumptuousness; because without national organization and lacking a structure, they can only argue with sterile verbiage, never with reason and solid support from the people.

Pablo Emilio Madero, former presidential candidate and current national leader of PAN, has just made a political tour of several states in the northern part of the republic, reiterating that his party is engaging in good political endeavor; and that this prompts its members to claim that, in next year's elections, they will win at least four of the seven governorships that are to be changed.

#### Two-Party System in Mexico

Gonzalo Altamirano Dimas, a PAN spokesman, in turn, maintained that many political parties criticize the two-party system, and deny that it exists in Mexico; but, he noted, the results show the contrary, because there are only two political groups with a national presence (PRI and PAN), which are, in fact, battling to attract votes.

2909

CSO: 3248/672



## PAN FEARFUL OF NATIONAL IDENTITY DOCUMENT'S IMPACT

Monterrey EL NORTE in Spanish 25 May 84 p 13-B

[Text] Yesterday, the PAN [National Action Party] deputy, Mario Aguirre Villafana, declared that the identity document (Single National Population Registry Code, CURP), which all Mexicans will be required to have, will be a source of further bribery, and that dissident or democratic citizens may have problems with the parastate entities.

Upon being interviewed regarding the National Population Registry that has now been established by the Secretariat of Government through the clerks' offices of civil registry for the newborn, PRI deputies consider it a sign of the organization of Mexico.

The CURP, an abbreviation for the Single National Population Registry Code, gives a number to each child recorded in the clerks' offices, and will soon apply to all Mexicans.

Through the use of computerized systems, the Secretariat of Government will have a data bank on all citizens, and the number will be issued in credentials that will be required to enter and leave the country.

Although Government Secretariat officials reported on the system that is just about to go into operation, the children registered since 1982 already have their CURP.

The document has 15 digits which specify the state, municipality, clerk's office, year of registration, consecutive certificate number and computer check, until it makes up the code.

Aguirre Villafana said that the identity document would be the source of another assault upon freedom, democracy and the economy.

The PAN deputy remarked: "Against the economy because it will be cause for collusion and bribery. If, because of forgetfulness or loss, Mexicans have to deal with government offices, it is traditional in the country and, especially in the PRI [Institutional Revolutionary Party] for everything to be arranged with money."

He said that, in addition to the fact that it is unconstitutional, the problem also lies in the technology, because the government is not trained in coding techniques.

He noted: "The registry should have a single coding system; because this is different from the one used in the 1980 census, and those of 1974 and 1968."

He claimed that the government lacks the efficiency to include all citizens in the registry over a short period of time, because something similar to what occurred with the tax census-taking, which did not reach everyone, would take place.

He said: "With this, the government will have a means of forcing upon the citizens conditions required to receive many of their rights, making it necessary for them to show their identity card."

Aguirre Villafana remarked that he would not approve of the registry system, because a citizen has never had his full rights in the country, starting with the fundamental one, namely, respect for voting.

He claimed: "The document is similar to a tattoo on the body, but it is quite likely that, if tattoos were involved, the government would want it notarized, with a copy elsewhere on the body, you can guess where."

He mentioned the difference between the document that other countries have and the one to be issued in Mexico. They use it as a benefit for those carrying it.

"Specifically, in the United States, they issue it to provide some benefits; it is a by-product for obtaining social security, but the difference between that and what we have here is in the philosophy."

#### Organization

The PRI deputies, Yolanda Garcia de Vargas, Jose Luis Solis Gaona and Jesus Villarreal Martinez, agreed yesterday that the identity document is a modern system for organizing the country.

Garcia de Vargas commented that the system would help improve the organization, and hence necessary data would be procured for administrative government planning.

She added that it would provide information on how many inhabitants the country has, and whether they have jobs; and on this basis, the planning can be carried out.

She noted: "It will be a means of not wasting anything, of putting the resources to optimal use, insofar as food and education are concerned, and to execute the plans."

Villarreal Martinez said that the document is not aimed at creating anything to harm the people, because it seeks the country's modernization and collective benefits.

He said that applying the system to all Mexicans would be done gradually, and as progress is made, a solid step will be taken.

It was his opinion that the negative aspects that some wish to find in the registry are only rumors spread by coffee-drinking politicians; because it will not be used to curtail freedom.

He said: "We are living in a democracy in which there is freedom to profess any religion, profession and ideology; the registry cannot affect the political system."

Solis Gaona commented that, in Mexico, as in any society, there must be an organization and a method of control, with a planning system.

But he did not think that it could have wrongful applications, because the Constitution clearly stipulates the rights of every citizen.

Solis Gaona remarked: "At the beginning of the application to all Mexicans, there may possibly be a problem; but with practice it will become clearer."

2909

CSO: 3248/672

## BRIEFS

DELEGATION TO EAST EUROPE--With the intention of increasing Mexican exports to four European countries (Poland, Czechoslovakia, Hungary and the German Democratic Republic), a delegation headed by the undersecretary of foreign trade, Luis Bravo Aguilera, and the director of the Mexican Coffee Institute, Antonio Gazol Sanchez, traveled yesterday to the old continent. Both voiced (at a press conference) flattering comments on the positive response that has been received from governmental and private sectors to President De la Madrid's appeal for an increase in the nation's exports. Bravo Aguilera stressed that, during the first 4 months of 1984, a surplus of \$5.2 billion was achieved in the trade balance, and that non-petroleum exports increased 56 percent. Gazol Sanchez announced that between 200,000 and 250,000 bags of coffee would be sold to those four countries, which are not members of the International Coffee Convention Market. Bravo Aguilera also disclosed that the delegation headed by him would need to know the details regarding Mexico's participation in the Poznan Fair, in Poland, during November, commenting: "This year, we want to increase commercial exchanges through barter agreements, compensated exchange and simple exchange to be paid for in foreign exchange." [Text] [Mexico City EXCELSIOR in Spanish 4 Jun 84 p 27-A] 2909

CSO: 3248/672

## MILITARY MANEUVERS FOLLOW ARMY COMMANDER'S VISIT TO USSR

Lima EQUIS X in Spanish 4 May 84 pp 16-18

[Text] There is so much discontent and even despair reigning due to the disastrous consequences of the crisis that last week there were insistent rumors of a military coup in the south. These were finally denied by the president of the republic himself. Actually, the army was simply holding maneuvers, with air force support, as is the custom everywhere. However, this time they were large scope covering a very broad area about 20 kilometers from the border with Chile. They were actually the first of this size since 1979. During recent years, they had been postponed for reasons of austerity. However, since swords began to clang very near Peru, it was not proper to delay that military practice any longer. They are needed both to polish up tactical plans as well as to help train the personnel in the use of more sophisticated military weapons. They are also a factor of dissuasion for those abroad who dream of wild adventures.

## Soviet Arms, Mirage 2000's

It is significant that the maneuvers in the south have been carried out after the return of the commander in chief of the army, Gen Julian Julia Freyre, from his working tour through the USSR and other European countries. They supply armaments that insure Peru against surprises and boycotts similar to those that Argentina suffered during the Falkland Islands War. It was also after the aeronautics minister, General Zlatar, had announced finalization of a contract to purchase 22 Mirage airplanes from France. They will begin to arrive at the beginning of next year.

Beginning last Monday and lasting almost all week, thousands of men from all the branches operating from Arequipa and Moquegua advanced quickly and sweepingly to "contain the enemy" and defeat him completely in Tacna territory. The most modern "Katiuska" missiles capable of destroying a city of 100,000 inhabitants in a few minutes and powerful "Sam" land-air guided missiles were used profusely in the operations. Also the tanks of the Sixth Armored Division and an undetermined number of artillery pieces were able, with missile support, to advance steadily, annihilating the two main "enemy" lines.

The flash offensive of our troops was effectively supported by waves of Sujoi planes that used different types of missiles. Last, hundreds of paratroopers

from the Airborne Division with helicopter support surrounded the rest of the "enemy forces" and destroyed them. Gen Julian Julia expressed his satisfaction with the behavior of the units under his command. They showed a high degree of readiness and elevated morale. The announcement made some days ago by the commander in chief of our army that Peru has the indispensable "coagulants" to close alleged frontier gaps like those that the president-elect of Ecuador imaginatively invents has been fully confirmed.

END

000: 0142/0074



## MILITARY DISSATISFACTION REPORTEDLY RISING

Lima EQUIS X in Spanish 11 Jun 84 p 12

[Text] Both in the Joint Command of the Armed Forces and the Army High Command, there is great concern about predictable offshoots of the present wave of strikes. The wave of strikes would only confirm the blackest predictions contained in documents that the general staffs have in their hands. These documents would consist basically of analyses of intelligence forecasts prepared periodically by the respective intelligence services. The intelligence data that day after day permit the commands to know the seriousness of the ever-changing social situation would also play an important role in the military concern.

The DIE [Army Intelligence Detachment] would have drawn up a picture of the dangerousness of the social situation based on information gathered in the unions and in polls taken in different sectors of the population. It is not known among civilians that the DIE also gathers intelligence on economic and financial matters. Therefore, the command is in the position to have concrete knowledge about how the crisis is worsening with its sequel of a breakdown in the production system. Therefore, the military chiefs can closely watch the decisive factor of tension and social chaos.

It is necessary that the public know that the generals in the High Command say, not without some distress, that this government has not only not solved the current crisis but is leaving a real time bomb for the next government. In its first year of administration, it could be faced with social conflicts as serious or more serious than those we face now.

Another factor that is considered by the general staffs in the growing chaos is the mismanagement by this regime, its lack of real authority, the corruption protected from above and the presidential attitude of turning his back on the real country to only dream of inaugurations.

All this has a name for the military which is directly connected to the problems of national defense: serious deterioration of the internal front. This is strengthened by the Shining Path subversion that seems to have taken root instead of having been averted. Important military chiefs indicate in private that the government is responsible for the advance of subversion, especially President Belaunde who has persistently refused to support the countersubversion

plans of the armed forces. One of them said: "It is as if he deliberately wanted to discredit the army, reducing us to a simple police function. This is not our role nor are we going to permit this."

He added: "The more dangers exist on the external front, the more careful it is necessary to be with the internal front." Independent of the aggressive plans and intentions in certain influential circles of Chile and Ecuador, the arms race which these countries are involved in pushes them to an eventual conflict, especially if Peru remains behind in this race. This is the reasoning of the military.

To the military, in that situation it is impossible to accept the government policy of refusing to lend maximum support to the programs to reequip and modernize our army which its commander in chief, Gen Julian Julia Freyre, is determined to carry out. They say at the Little Pentagon that this position persists even after General Julia's trip to the USSR. He would have brought extraordinarily advantageous offers for our country back with him. This position has generated real discontent in the military high command which is so sensitive to national defense matters.

Facing this entire state of things (chaos, mismanagement, subversion, crisis, corruption, neglect of defense) that dangerously affects the internal and external front, the feeling that prevails in the barracks can be summarized in the words of a young general: "A doctor aware of his duty is capable of anything to save a patient from a sure death. So too we are ready to do anything to keep national security and defense--in relation to our potential enemies--from reaching a point where we could be an easy victim for any aggression."

7717

CSO: 3348/454

## PCR SECRETARY GENERAL ON LEFTIST UNITY, OTHER ISSUES

Lima EQUIS X in Spanish 28 May 84 pp 29-32

[Interview with Manuel Dammert, PCR secretary general, by Roberto Tupia Castro: "UDP Divides PCR"; date and place not given]

[Text] The PCR [Revolutionary Communist Party] has the merit of having made itself one of the strongest Marxist organizations in the country, without depending ideologically or materially on any foreign center of power. This is due unquestionably to the drive of Manuel Dammert who has constructed the PCR through years of hard work (according to those who have seen it close up).

Now, as is almost habitual in the left, his organization is suffering a schism which the nearness of the electoral campaign unquestionably has a lot to do with. We naturally are far from taking the side of one or the other sector. However, we believe that our readers must learn of the positions of both sides directly. To begin, let us see what Manuel Dammert, PCR secretary general, says in our interview this week.

[Question] A division in the PCR, which you are the main leader of, is mentioned in the leftist media. What is the truth about this?

[Answer] When this interview is published, a statement from the party issued by our Central Committee which met on Saturday, 19 May, and Sunday, 20 May, will become public. We have advocated the formation of the IU [United Left] and, within it, the formation of a socialist hegemony. This socialist hegemony has advanced with the presence and contribution of Alfonso Barrantes, representative of the independent socialist sectors, and with the forces that have formed the Mariategui current. Unfortunately, some forces have precipitated an organic unity with electoral prospects for a certain candidate. They have dragged along a small sector of the PCR that has united around the UDP [Popular Democratic Union]. The PCR as such is not divided. There is a sector that moves away to strengthen a UDP that is reviving its old and defective methods. It stakes everything electorally on a certain candidate. We regret this but we believe that the overall project remains in effect, the project of forming a socialist hegemony of the masses in the country, even dealing fraternally with our UDP comrades.

[Question] Could you summarize as precisely as possible the political differences that divide the two conflicting groups of the PCR?

[Answer] The sectors that are leaving the PCR are in the minority. Our political position was discussed at the fourth conference held in January. Our fourth national conference approved the theses of democratic renovation of socialism and consolidation of the IU as the great strategic front of the Peruvian left. In it there is a very broad socialist hegemony. The difference from the comrades who unite around the UDP and a certain candidate is that they have a revolutionary's vision of the tactics and exaggerate the importance of the electoral aspect and organic merger in the construction of a hegemony. We believe that it is not a matter of combining organizations to create a hegemony but a matter of attracting the masses. There is also a difference with respect to the IU itself. It is not a matter of being the rebel wing of the IU, the sector opposed to the leadership of the IU, but of being an integrating and unifying force within the IU. That is perhaps the main difference.

#### IU Party or Front of Parties

[Question] The Peruvian people tend to view the IU not as an electoral front of several parties but as a single great democratic socialist party. What do you think of the idea of converting the IU into a party?

[Answer] It seems to me that the IU is a front. It should continue and is going to continue as a front since there is a party. The IU must become a great movement where a force of socialist hegemony is forged. Barrantes Langan is unquestionably in this great movement. He heads it and embodies it, but the parties also form it. Important positive modifications are being produced. Now there is a certainty in the Expanded Executive Committee that all the parties of the IU, all the sectors that form it, have a strategic unity to fight for the revolution. We also have a socialist objective. This did not occur 5 years ago but now it does. It is a reality and is going to transform Peru. Therefore, it seems wrong to us to oppose this great project and try to reconstruct a revolutionary pole, a revolutionary's pole, behind some candidate.

[Question] Alan Garcia has just stated in an article we reproduced in the previous issue of EQUIS X that APRA [American Revolutionary Popular Alliance] and the IU are the forces leading change in Peru. What comments could you make on this important statement?

[Answer] I believe that it is true at the level of the masses. The APRA masses want a change. However, at the level of leaders and programs, it is false. The present APRA leadership is brandishing a program of dealing with the large foreign companies. It has set aside the word nationalization. It is defending a program of affirmation of a small sector in the exports industry. It has set aside the nationalization of industries and the redistribution of property and management. From that point of view--its current leadership--APRA has gone over to the right in our country. However, the APRA masses as well as the IU masses are the forces that want a change, a democratic renovation in the life of the country, a consolidation of the workers' management of production and a true and authentic national independence.

## Chaves Belaunde Will Go to Jail

[Question] As national deputy, you denounced in Parliament the scandalous affair involving the former minister of transportation, Fernando Chaves Belaunde, which hurt the CPV [Peruvian Shipping Corporation] to the tune of \$20 million to \$40 million. What is happening with this serious problem now?

[Answer] When the cabinet headed by Sandro Mariategui came in, we publicly presented some documents that question a supreme decree signed by architect Pestana. It states that the CPV and the Peruvian state bought those two ships that are scrap. This is being tried criminally in the judicial branch. Sandro Arbulu and others responsible for this million-dollar fraud have already been sentenced. There is an attempt to save the minister then, Chaves Belaunde, with the state assuming that fraud. This supreme decree must be immediately repealed. We have publicly stated this to Sandro Mariategui and we are waiting for his answer.

[Question] In what concrete way can the opposition, both the IU and APRA, guarantee to the people of Peru that the CPV affair will not go unpunished?

[Answer] It is very possible and totally probable--if there is no military coup--that there will be a joint majority of APRA and the IU in the next Parliament. With a third of each one as a minimum, there is a majority. With the investigations that have been made and with the process initiated in the judicial branch, there will be sufficient basis so that all those who have perpetrated this fraud will pay for their mistakes and go to jail. That contract will have to be voided and the ships returned.

## Expansion of Democracy

[Question] The Marxist left uses all the institutions of formal democracy (freedom of the press, the legitimacy of opposition, pluralistic elections, etc.) as is its right. However, it reserves the right to suppress them once it reaches power. Do you share and justify this position that inevitably leads to totalitarianism?

[Answer] In the Marxist left, those of us who hold a position of democratic renovation of socialism believe that the most important movement that is produced now in the socialist countries is precisely that of the construction of new forms of democratic power. This is expanding and guaranteeing individual freedoms, the pluralism of social interests and cultural and philosophical creativity. Therefore, for us socialism is equal to greater democracy, not less democracy. In Peru the possibilities of constituting a truly independent nation are based on the construction of a real and authentic democracy of the masses. That is the main proposal that leads the IU to be the great hope of the country.

7717

CSO: 3348/454

## CHAMBERS MEETING WITH GUYANA'S BURNHAM QUESTIONED

Port-of-Spain SUNDAY GUARDIAN in English 10 Jun 84 p 6

[Article by John Babb]

[Text]

TWO CURIOUS events last week tempt me to ask what is behind the chumminess which has developed between our Prime Minister George Chambers and President Forbes Burnham of Guyana?

A Russian Ilyushin jet, camouflaged in Guyana's colours to give the impression, no doubt, that it was a Guyana Airways flight, sought and was given permission to land Monday night at Piarco where it overnighted.

The following day Prime Minister Chambers rushed to the VIP Room at the airport for a private 90-minute discussion with the Guyanese President who was en transit to Bulgaria and China. According to reports, no other officials were present at the talks.

Mr. Burnham had arrived here by a Guyana military aircraft, and following his talks with Mr. Chambers flew out on the Russian jet.

Why, one wonders, was the Russian made jet using the colours of Guyana Airways? It was a Russian jet most definitely because the CCCP markings were there.

The Russians pilots and crew, some eight or ten altogether, were all over the airport on Monday night, free in their movements as if they were at home. In fact, freer than when they are at home.

Press people are forbidden entry into some areas of the airport. But apparently not so with those Communist visitors.

They came to meet Mr. Burnham. And as Mr. Burnham is chummy with Mr. Chambers, they enjoyed the freedom of our airport.

Since the Grenada issue, Mr. Chambers has apparently drawn closer to Mr. Burnham, who with Mr. Chambers, was among four Caribbean leaders who op-

posed the U.S.-led invasion of October 25 last.

The talks which the two leaders held last week have remained a secret as Mr. Chambers made it clear he was not talking to the media.

On the other hand Mr. Burnham who never seems at a loss for talking but saying little, gave a long interview in which he said their talks were about regional and international issues, which leaves us none the wiser.

What is of concern, however, is this: What has Trinidad and Tobago to gain from this closeness between Mr. Chambers and Mr. Burnham, particularly in the light of Mr. Burnham's known record of undemocratic practices in his country?

Is it a matter of trade? Hardly. The Guyana economy is in shambles and is bound to deteriorate. The only thing to help it is an injection of communist money.

## MONEY NEEDED

Right now Mr. Burnham's Government is in dire need of a (TT) \$600 million loan from the International Monetary Fund (IMF).

And he is on record as saying that if he cannot get help from the West, he will take it from the East. Mr. Burnham is a man like that.

The situation in what Mr. Burnham calls the 'Co-operative Republic' is frightful all around.

The Guyana dollar was devalued 20 per cent earlier this year, and source say that another devaluation is quite possible before year's end.

The current rate is one Guyanese dollar equals 63 cents TT, or it is \$3.75 (Guy) to one U.S. dollar.

But a recently instituted measure in Guyana which takes the cake, is the so-called Labour Amendment Bill, which gives effect to a 1979 wages freeze and places the measure beyond challenge in the courts.

In fact President Burnham himself now has the power to determine if there will be future wage increases and at what levels.

The so-called Labour Amendment was passed five months after the Guyana Public Service body had submitted proposals for pay increases for over 100,000 public servants. Passage of the Bill has put paid to that.



The new Act has properly laundered the traditional bargaining rights of individual trade unions in Guyana.

In fact Mr. Burnham's administration will now bargain only with the Government-controlled Trades Union Congress (TUC) instead of with any of the 21 unions that are affiliated to it.

What do our unions here have to say about that?

In addition, Guyana is straddled with a foreign debt that is in excess of (TT) \$1.6 billion, and to service that foreign debt alone, Guyana would require a sum that is 52 per cent of all projected receipts for 1984.

### CREDIT

Overall, the country's Gross Domestic Product (GDP) fell last year by 12.6 per cent from (TT) \$79 million in 1982.

There have been suggestions that Comrade Burnham is trying to offer Guyana's rice in exchange for Trinidad and Tobago's oil products.

Some time ago, it could be recalled, Guyana did some bartering with some bricks.

Then look what happened to the Caricom Multi-lateral Clearing Facility (CMCF) — the credit system that provided key institutional support for intra-regional trade since 1977. The fund went bust all because of Guyana.

The CMCF was suspended April 1, 1983 due mainly to Guyana's failure to settle its substantial balance.

Guyana alone had used up 97 per cent of the credit — (TT) \$235 million — of the (US) \$100 million, or (TT) \$240 million facility, which later threw

Caricom into a trade tailspin.

Attempts have been made to revive the CMCF under new terms and conditions, but settlement of Guyana's balance is crucial to any re-starting of the facility.

Whatever happened to the money contributed by Trinidad and Tobago to the Regional Food Plan in Guyana years ago, and the Food Plan itself? Have we ever benefitted from it?

Now Mr. Burnham was at it again this past week talking to Mr. Chambers as he put it of "a real regional food and agricultural programme."

Following his 90-minute chat with his chum Mr. Chambers on Tuesday, President Burnham boarded the giant Ilyushin jet and flew off on a route that took him to Cuba, New Foundland, London, Bulgaria, the Soviet Union and China.

From the outset, both the Soviet Union and Cuba were reportedly approached to provide an aircraft for the trip free of charge as a goodwill gesture. Apparently the Russians obliged.

Just before he left Mr. Burnham told newsmen his chat with Mr. Chambers was "friendly and fruitful."

Friendly yes, in the sense that the relationship between the two is thick enough since Grenada. And fruitful yes, but probably only to Guyana.

If financial problems were the only issues involved, Trinidad and Tobago no doubt would extend its usual helping hand to Guyana.

But there is a far more sinister and serious issue involved here.

Mr. Burnham is a dictator and this is known

to all, except perhaps Mr. Chambers.

The denial of basic human rights; the rigging of elections; the political murders (remember Fr. Darke stabbed to death during a political demonstration, and Opposition member, Walter Rodney, blown to bits in a car?)

The last elections in Guyana in 1980 which returned Mr. Burnham were massively and flagrantly rigged according to an independent team of international observers.

Is this the kind of regime Trinidad and Tobago wants to draw close to its bosom?

Bishop Singh has recently protested the Guyana Government's misuse of power to restrict religious freedom, and to harass church personnel in that unhappy country.

The bullseye target in this escapade of harassment is Fr. Andrew Morrison, Editor of the 'Catholic Standard' which provides the only sane voice in the Guyana situation.

On every occasion Fr. Morrison arrives or leaves Guyana he is subjected to the most thorough of illegal searches.

The "Catholic Standard" in an editorial last month described the situation in Guyana as one of simmering discontent over rising prices, frozen wages and increasing unemployment.

### EMASCULATED

Trade unions have been completely emasculated by the Labour Amendment Bill, and the growing crime rate is significant, the editorial said.

In Guyana today the "Catholic Standard" described the society as becoming more and more turned in on itself

as conditions become harsher.

"People exploit and damage each other to an increasing degree in business and social dealings. Dishonesty seems to be the order of the day."

In the meantime, while all this suffering is going on in his country, Mr. Burnham takes off on his joy-ride with full entourage and food.

And our Prime Minister rushes to the airport to meet him and accord him VIP treatment, when in truth and in fact he ought to be publicly condemned.

In the first place Mr. Burnham is not a properly elected leader and in this regard is not much different from Maurice Bishop who seized power by the gun.

In fact if the truth is to be told Bishop was open and candid about his way, which is much more than can be said for Mr. Burnham whose brutal dictatorship he tries to masquerade under the name of democracy.

To mark International Women's Day recently nine women's organisations in Guyana called for support in the struggle against indignities, malnutrition, and death.

The closeness between the two — Mr. Chambers and Mr. Burnham — should be, to say the least, more than a little worrying for us. And the sooner Mr. Chambers understands that association with Mr. Burnham tarnishes his image, the better.

There is some truth in the old saying that 'when you pay with the puppies you are more than likely to be bitten by the fleas.'

## HUDSON-PHILLIPS DECIDES TO JOIN PROSECUTION IN GRENADA

Port-of-Spain EXPRESS in English 11 Jun 84 p 1

[Text]

**KARL HUDSON-PHILLIPS**, political leader of the Organisation for National Reconstruction (ONR) has agreed to lead the prosecution in cases brought against 20 former soldiers and political officials in Grenada, according to a CANA report from St George's yesterday.

The report quoted government sources as saying that Hudson-Phillips, a former Attorney-General in the Trinidad and Tobago Government, met officials of Grenada's legal department within the last few days and agreed to join the prosecution team for an undisclosed payment.

They said the ONR leader was expected to return to Grenada next week after Grenadian magistrate Lyle St Paul begins hearings in the preliminary inquiry which would decide whether there is sufficient evidence to present the cases for a high court

hearing.

Among those facing charges are former deputy Prime Minister Bernard Coard, his wife Phyliss, former military commander Hudson Austin and ex-mobilisation Minister Selwyn Strachan.

The charges rose out of the October 19 killing of Prime Minister Maurice Bishop, three cabinet colleagues and four others.

Coard and the 19 others were arrested following the U.S.-led invasion of the island in the aftermath of the bloody coup.

Hudson-Phillips led an ONR fact-finding mission to Grenada last month.

He told a press conference on his return that the Trinidad and Tobago Government should lift visa restrictions on Grenadians or establish a permanent diplomatic mission on the island.

"The situation in Grenada is one that requires all the moral and physical assistance of the peo-

ple of Trinidad and Tobago," Hudson Phillips said.

Fourteen of the 20 accused have threatened to remain in their cells and refuse to attend Wednesday's preliminary inquiry because their lawyers will not be present.

Strachan, spokesman for the group, said the 14 would not like to participate because their lawyers, all foreigners, would not be in Grenada.

"We believe that the exercise which we are going through has international implications and it is just not an ordinary case because where else in the world is there a murder case when the very court in which it is taking place is surrounded by foreign troops," he added.

ONR sources said yesterday that the offer to Hudson-Phillips to lead the prosecution came from Grenada's Governor General Sir Paul Scoon whom the ONR mission met last month.

## CHAMBERS CHANGES HIS MIND, WILL ATTEND CARICOM TALKS

Port-of-Spain SUNDAY GUARDIAN in English 17 Jun 84 p 1

[Text]

**PRIME MINISTER** George Chambers has changed his original plan and will attend the fifth meeting of Caricom Heads of Government, due to be held in the Bahamas from July 4 to 7.

It is believed that Mr. Chambers changed his mind following last week's meeting at Piarco with President Forbes Burnham of Guyana.

Chief negotiator, Labour Minister, Mr. Errol Mahabir, will also be on the team.

**POSITION**

The Trinidad and Tobago Prime Minister, it was learned yesterday, is going to Nassau, to put his cards on the table and make Trinidad and Tobago's position clear to the rest of the Caribbean.

He is going to tell his Caricom partners that if Caricom is to succeed it must be a two-way street, and not as it has been over the years with Trinidad and Tobago contributing heavily to promote the integration movement and getting little or nothing in return.

An example of this is the complete transformation of Trinidad and Tobago's trade with its Caricom partners — from a surplus in the late seventies, to a present substantial negative balance.

The "Guardian" understands that another case in point is Jamaica's request this past week to Trinidad and Tobago, to reschedule repayment of a \$70 million loan chalked up in 1976 and now due.

At the same time however, Jamaica has been buying its petroleum products from sources other than Trinidad and Tobago.

Six weeks ago, it was reported that Mr. Chambers, disenchanted at the attitude of some Caricom

governments towards this country, had indicated that he would not attend the Bahamas Summit.

A major consideration, sources said, was Mr. Chambers's annoyance with other Caricom leaders over the Grenada invasion, which Trinidad and Tobago did not support.

He also felt that little, if any at all, would be achieved at the Summit in the light of the virtual total breakdown in trade within the region over the last two years.

Earlier in the year, Mr. Chambers had planned to visit China, other Far Eastern countries, and the Federal Republic of Germany, sometime this year.

But the Prime Minister has been advised by both the Chinese and German governments, that the time of his visit was inconvenient and they could not accommodate him due to other pressing commitments, at the time.

With his Far Eastern trip postponed and following his recent private meeting with Guyana's President Forbes Burnham at Piarco, Mr. Chambers has decided to go to Bahamas and have it out with Caricom colleagues.

**PETROLEUM**

Over the years, Trinidad and Tobago has sunk more than (TT) \$1 billion in direct and indirect assistance to its Caricom partners, but has received very little in return.

The stark reality of Trinidad and Tobago's Caricom trade is, that it is in shambles.

For example, during the first quarter of 1984, Caricom countries sold goods to Trinidad and Tobago valued \$73.6 million.

On the other hand, Trinidad and Tobago sold only \$28.9 million to Caricom and this figure includes petroleum products.

Excluding petroleum the position is worse. Other products sold valued only \$17.3 million.

This pattern is a continuation of what prevailed last year. During the same period in 1983, Trinidad and Tobago sold only \$17.3 million worth of goods to its Caricom partners, but imported from them, \$113.2 million.

In the first half of 1983, local exports to Jamaica fell by 48 per cent; to Guyana, by 69 per cent, and to Barbados, by 36 per cent.

The situation has been having an adverse effect on the manufacturing sector here and on employment and this has been a matter of serious concern.

As a result, the Government has had to adopt protective measures through import licensing, and, over the past month, has been advising local manufacturers to look outside of Caricom for markets.

One positive move for outside markets takes place today with Trinidad and Tobago hosting a trade mission in Puerto Rico.

Some 36 local manufacturing companies are seeking to penetrate the Puerto Rican market with products ranging from electric blenders and glass bottles to chocolate confectionery and aromatic bitters.

CSO: 3298/928

## PADMORE REPORT ON PNM INDICATES DISSATISFACTION WITHIN

## Call for Cabinet Changes

Port-of-Spain EXPRESS in English 1 Jun 84 p 1

[Article by Andy Johnson]

[Text]

**UNITS of the ruling People's National Movement have suggested that there be a Cabinet reshuffle among government ministers, but this was not among the 10 recommendations put to the General Council of the party by the Padmore committee.**

**"Need to reshuffle Cabinet. People are concerned about the present situation in the country. Are the grassroots really understanding what the Government is doing?"**

These are among the long list of views expressed by member units of the PNM and contained in the report of the committee headed by Education Minister Overand Padmore on the state of the party.

But in a list of 10 recommendations put to the party's General Council, the call for the Cabinet reshuffle was not

included. Speculation about a Cabinet reshuffle by Prime Minister George Chambers ran high earlier in the year when a number of reappointments were made at the level of permanent secretaries in various ministries.

Member units also felt that the party should reassure the "small man" that it would continue to seek the interest of this group, and that the party should take a "serious and effective stand on corruption and mismanagement. Masses are very concerned," the Padmore report states.

The report, which is to be discussed in detail at a special meeting of the party's General Council on Sunday, said also that the committee was "struck by the forceful and frequent references in many constituencies" on such issues as corruption, utilities, youth, leadership, the party secretariat, job insecurity, the treatment of pensioners and the preservation of the unitary state of Trinidad and Tobago.

Speaking about the report yesterday, Padmore, a Cab-

inet minister since 1971, and Member of Parliament for Port of Spain North, said he was "distressed" that the document had been circulated in the Press before it was discussed officially by the party's General Council.

Padmore said, however, that the report was indicative of the strength and character of the PNM, saying he felt "confident" that no other political party in the country could or would undertake such an exercise in self-analysis.

Industry and Commerce Minister Desmond Cartey, Community Development and Local Government Minister Cuthbert Joseph, External Affairs Minister Basil Ince, Information Minister Muriel Greene and Minister in the Ministry of Community Development and Local Government Muriel Donawa McDavidson were among the other Cabinet members on the Padmore committee.

Mary Anthony, Keith Nancoo, Leo Seebaran, Morris Marshall, Jackie Timothy and Lloyd Thomas made up the rest of the 12-member team.

Port-of-Spain EXPRESS in English 1 Jun 84 p 56

[Text]

**MOVES** by the Tobago House of Assembly to break-up the Unitary state of Trinidad and Tobago are no longer covert, the Padmore committee investigating the state of the People's National Movement has found.

Describing it as among the "dangers lurking around" in the country, the committee said that relevant party groups felt the moves to break away from the unitary were "no longer covert." They said the break-away action was pulled back when the movement met with opposition but attempts would be made again.

The committee also said it found that trends in the sister-island were creating a great deal of concern among PNM members, over the fact that the party was no longer in the driver's seat there. It said this was a "role reversal" which led to "confusion and frustration."

Members also felt uneasy about what they said were "frequent visits to Tobago of undesirable types." They spoke of "exchange visits to Grenada-putting fear into the hearts of people" and the consequent need for "better security of the coastline."

They said it was important for people in Tobago to understand that the government was still interested in Trinidad and Tobago, that large numbers of Venezuelan and Barbadian fishermen were operating freely in this country's territorial waters off Tobago and that the Assembly was not helpful.

Members felt that Assembly chairman, ANR Robinson, was prepared to "sell out Tobago to gain his own ambitions." They said Robinson had established his own tourist board, with members

drawn exclusively from among his supporters.

"PNM members in Tobago must publicise discriminatory practice of the majority," the members felt, saying also that the people of Tobago often did not have the facts at hand to respond to the claims and charges of the political opposition.

They said the majority party in the Assembly, Robinson's Democratic Action Congress, was only giving work to its members and that no one in Robinson's electoral district was unemployed.

CSO: 3298/929



## VOTER REGISTRATION TO BENEFIT FROM COMPUTERIZATION

Port-of-Spain EXPRESS in English 1 Jun 84 p 56

[Text]

**THE Elections and Boundary Commission is going computer. And the Tobago House of Assembly elections in November may be the first toll to be carried out from a computerised voters' list.**

This was disclosed yesterday by Bertel Gittens, acting assistant chief elections officer who with members of the Commission and other officials visited Tobago to oversee the input for the computerised electoral list.

"We are going computer," said Gittens. "The national computer agency will be handling the computerisation for the Commission," he disclosed.

Chairman of the Commission Isaac Hyattali was not on the team visit yesterday; he was out of the country.

But Commissioners Dr Norbert Masson and Simon Alexander were along with Egbert Solomon, acting chief elections officer, Gittens and L. Thomas, from the Tobago Office of the Commission.

In addition, the Commission members received reports on a current registration programme being carried out for the Tobago Assembly elections.

Registration closed at two temporary centres at Speyside and Moriah on Wednesday. And according to Gittens, the response was "tremendous."

"What has been particularly encouraging," he said, "was the fact that many Tobagonians just dropped in at centres to check up on their registration status. In other words, they were making sure that they were not only on the voters' list but that there were no irregularities, so that when elections time comes around, there will be no problems with their voting."

Two other registration centres opened today at Plymouth and Canaan health centres and officers are predicting just as encouraging a response.

Gittens said that members of the Commission also looked over sites for other registration centres to be opened in Tobago for the national registration awareness drive next month. June 24 to 30 had been earmarked Registration Awareness Week but according to Gittens, the programme which applies to both Trinidad and Tobago will run for one month, ending July 21.

He said that members of the Commission will be visiting Tobago from time to time as preparation for the November Assembly elections gathers pace.

This will be the first elections under the newly instituted Commission with Isaac Hyattali as chairman.

## MORE ON TAPIA HOUSE CALL FOR 'NATIONAL' PARTY

Port-of-Spain TRINIDAD GUARDIAN in English 18 Jun 84 p 1

[Article by Clevon Raphael]

[Text]

A PROPOSED new national political party should select its leader through an electoral assembly and not the usual "fix up behind the scenes" method Trinidad and Tobago is accustomed to, according to the Tapia House Movement.

This point was advanced by Tapia at yesterday's St. Andrew/St. David Region County Convention of the National Alliance held at the Sangre Grande Hindu College, through Tapia's Treasurer, Peter Fung Kee Fung.

And in one of the feature addresses, the parliamentary representative for Tobago East, Miss Pamela Nicholson, charged there was widespread interference by the central government into the day-to-day activities of local government bodies which tended to hinder the effective operations of the latter.

Mr. Fung Kee Fung, told his audience there was three major advantages of an electoral assembly which he outlined as:

- It would create an orderly and stable framework of leadership competition, currently a major weakness in party politics in Trinidad and Tobago. It would establish a mechanism and political culture for appointing and changing leadership in an orderly fashion;

- It would make for an open and democratic competition for leadership positions within a forum representative of the whole nation and therefore would be a key factor in providing the moral authority necessary for uniting the country to face its present and future difficulties; and:

- It would make it very difficult for any of the contenders for leadership to damage the stability of the party party and the country by walking

out after the result of the electoral assembly's vote.

The Tapia formula was presented in the context of a possible merger of the country's major Opposition parties to oppose the ruling People's National Movement (PNM) in elections.

In 1983 they came together in a grouping called "The Accommodation" and since then there have been discussions about (converting) of that 1983 understanding into a permanent bond, but the question of leadership is reportedly the major bugbear.

The parties involved are the United Labour Front, the Democratic Action Congress, Tapia and the Organisation for National Reconstruction (ONR).

Mr. Fung Kee Fung said the question today was "Now, what after the accommodation?"

He continued:

"The 'Accommodation' of 1983 was a limited arrangement between the Alliance, composed of three parties, and the ONR, designed specifically to maintain opposition strength and deal a blow to the PNM. The 'Accommodation' performed according to its design specification.

"To answer the question 'now what?' we have to consider that in a general election the stakes are immensely higher than in a local

election, the whole cake is up for grabs in the general election and many are fearful, stimulated and even angry at times; the situation is not a very stable one.

"As responsible citizens who wish to build a strong nation for ourselves, our children and their children, we have to ask very carefully, 'What now?'"

To boost Tapia's case for an electoral assembly, Mr. Fung Kee Fung argued that if Prime Minister George Chambers had won the leadership of the PNM in an open competition he would now have the political resources necessary to do something serious about the country's problems.

Claiming that Mr. Chambers had no authority over the party, he added:

"Do not be fooled, Mr. Chambers is a crafty politician; he had to be, to have survived for so many years in the swirling waters around Dr. Eric Williams.

#### IN A JAM

"He is extremely good at close infighting and Mickey Mouse

politics. He could rise to the occasion, he understands the issues, he has access to advisers skilled in all fields of endeavour; he is not the best man for the job but he certainly could do a much better job than he is doing.

"Why is he under performing so? Eric Williams with all his formidable skills and personal political resources also became tied up and trapped. Why?"

"The answer lies in the fact that the leadership of the PNM is selected by the leadership in a backroom fix-up and not by representatives of the wider party in an open forum."

Mr. Chambers, he added, could not deal with whom he needed to deal with because they put him in office and it was they on whom he depended for his position.

The PNM, he said, was in a jam of its own making.

What the nation now needed was a frank, honest, open, democratic and comprehensive coalition of all the major political groupings in the country; a new and total national party.

CSO: 3298/929

## LABOR UNREST AT TEXACO COSTS WORKERS \$5 MILLION

Port-of-Spain TRINIDAD GUARDIAN in English 19 Jun 84 p 1

[Text]

OIL WORKERS employed with Texaco Trinidad Inc. have lost approximately five million dollars (\$5,000,000 TT) during the 23 days unrest at the company's operation at Pointe-a-Pierre, Barrackpore, Brighton, Forest Reserve, and other areas.

A source close to the company's said yesterday that the workers had lost that sum in wages and salary. No further details were available.

The oilworkers recently withheld their labour for three weeks to press demands for an improved wage offer, after the company had offered a five per cent for the first year in the proposed industrial contract.

And while the protest was in progress, the company dismissed eight workers, among them Pointe-a-Pierre branch officers of the Oilfields Workers Trade Union.

## IMPROVED OFFER

When the company took that action many workers throughout the company's operation downed tools in protest calling for reinstatement of the dismissed workers.

The situation resulted in a rush for petroleum products, particularly premium gasoline, and the panic continued for more than one week following which Minister of Labour, Mr Errol Mahabir, intervened in accordance with the Industrial Relations Act (IRA) and brought out the protective services to distribute petroleum products from the Pointe-a-Pierre branch.

The OWTU eventually sent the workers back to work and met with the Minister and company to resume wage negotiations and discussions surrounding the dismissed workers.

The company reported that one of the dismissed workers agreed to take his terminal benefits. One man was suspended for two weeks and discussions are still continuing regarding the fate of the others.

Question being asked in oil circles is, "Have the workers really lost over \$5,000,000 in wages and salaries or has the company saved that sum of money?"

Since the unrest the company has improved its wage offer over three years. The company and union are expected to meet shortly to continue wage discussions.

The latest position in the wage dispute is that the company proposal, excluding craft consolidation, amounted to an increase of 7.2 per cent in the first year and three per cent each in the second and third years for hourly rated workers and between 5.6 and 6.3 per cent in the first and three per cent in the second and third years for the weekly paid employees.

The OWTU's demand is 50 per cent over three years (25 x 15 x 10).

## SHIRT, TOWEL IMPORTS BANNED; GREATER PRODUCTIVITY URGED

## Cartey Announcement

Port-of-Spain SUNDAY GUARDIAN in English 17 Jun 84 p 1

[Article by Clevon Raphael]

[Text]

**IMPORTATION of shirts and towels in Trinidad and Tobago has been banned.**

Minister of Industry and Commerce, Mr. Desmond Cartey, announcing this at the Holiday Inn Thursday night, indicated that the move was to protect local manufacturers who were facing unfair competition from other Caricom countries.

The surprise announcement came after Mr. Cartey complained about the continuing trade imbalance between Trinidad and Tobago and its Caricom neighbours, at the expense of this country.

Speaking to the audience at a function which marked the awarding of the franchise to Mico Garment Factory to produce Van Heusen shirts and slacks, Minister Cartey said one local company had some 18,000 towels in stock unable to market them while towels were being imported.

"Today I have issued an order to the effect that no more licences will be given for the importation of towels into Trinidad and Tobago. Recalling the recent special Caricom Council of Ministers meeting which he attended in Antigua, the Minister said Trinidad and Tobago's position with respect to the licensing regime was reiterated.

He told the audience which responded with loud applause:

"As long as we continue to suffer from the lack of equitable reciprocity in our trade relations our licensing regime will remain."

The ban has been viewed as a forceful attempt by the Government of Trinidad and Tobago to convince other Caricom trading partners about the need for reducing the trade imbalance which exists between this country and their countries.

Minister Cartey said Government had to move to protect the local manufacturing industry and if this was not done the consequence could be disastrous.

He praised Mico for gaining the confidence of the British parent firm ... being awarded the franchise.

Minister Cartey said:

"As you may well be aware, our policy over the years has been directed towards assistance to

the garment industry in many ways; by way of concessions granted through the Industrial Development Corporation, by restriction on imports from both regional and extra-regional sources, and within recent times, by monitoring the so-called 'suitcase' trade through the efforts of the Customs and Excise Division of the Ministry of Finance and Planning.

"I am sure that you are also aware that Government has always looked with favour upon those local manufacturers who manage by dint of hard work and diligence, along with the quality of their products, to convince foreign producers to engage in franchise agreements with them."

Minister Cartey departed from his prepared speech to announce the ban and asked member OECS states to review their position with respect to Trinidad and Tobago "because we have the goods and we can produce."

"In recent times, it was being brought home to us daily, by what we read, see and hear constantly, that as a result of the fall in oil prices many changes have occurred in our pattern of living and that if we were to survive economically, our manufacturers, among others, must start thinking seriously about diversifying their activities and seeking new markets for their products.

"In short, we must export," Minister Cartey said.

## Productivity Council Appeal

Port-of-Spain SUNDAY GUARDIAN in English 17 Jun 84 p 1

[Text]

THE NATIONAL Productivity Council has warned that the time for unrealistic, unjustifiable, unsustainable demands for higher profits and wages is not the present.

"We must produce competitively or we will perish," the Council states in a release dealing with the "deep crisis" with industrial relation conflicts facing the country.

The statement reads:

"National revenue, especially from the mainstay of our economy oil, has fallen drastically. Our once substantial reserves have dwindled considerably.

The value of our exports have fallen precipitously while our imports, until the introduction of resource management (through the introduction of the ECO), climbed steadily."

"Even with these restrictions on imports, our balance of trade has moved from a healthy surplus to a dangerous deficit. The steady rate of growth of our Gross National Product (the value of things we produce as a nation) has come to an abrupt halt and in the recent past we have actually seen a reduction in the value of our total production."

There has been reductions in our savings, in the amount of cash available in the banking system, in capital expenditure, both public and private, and in many other of the leading indicators of a healthy economy."

According to the Council, reduced Government spending has led to a

decrease in the number of new jobs which are created each year. In addition the reduced public spending has resulted in a decline in the revenues of some businesses. This in turn has led to a reduction of the need for staff and in the stability of those enterprises.

The statement continues: "Changing economies in the oil industry, of which the country was warned about years ago, have resulted in two companies which formally invested in and jealously guarded their ownership of oil-producing and refining facilities in Trinidad and Tobago, deciding to either sell all or a very large part of their assets to the Government of Trinidad and Tobago."

"Continuously unimpeded rises in wages and benefits which were in fact accompanied by a reduction in output and productivity but which could be sustained and passed on to others in the boom years have resulted in our pricing nearly all of our products out of almost every market but our own."

### COMPETITION

"Almost everyone in Trinidad and Tobago from the highest manager to the lowest employee earn wages which are unsustainable in the face of competition of more productive societies whose working population produces more per dollar earned than we do."

The Council has issued a call to citizens of this country to face up to the facts of life in Trinidad and Tobago and in the world.

CSO: 3298/928



## BRIEFS

TOBAGO PUBLICATIONS--THE Tobago Informer is the name of Dr Winston Murray's publication in the sister isle. The first issue appeared on Thursday May 3. It followed on the heels of Lenn Renwick's Tobago Times, which is going into its third week. Am still checking on yet another newspaper rumoured to be coming out in Tobago. [Text] [From Angela Pidduck column "Getting Around"] [Port-of-Spain EXPRESS in English 25 May 84 p 49]

UNION EXPULSION--CONTROVERSY has erupted within the ranks of the Communication Workers' Union (CWU) with the expulsion of Mr. Lyle Townsend, a former executive member of the organisation. Reports state that Mr. Townsend and six other union members were given their marching orders yesterday. Further details were not available. But union officials have remained tightlipped over the development and Mr. Ian Clarke, CWU's General Secretary, was not available for comment yesterday. Mr. Townsend, an employee of Telco, was General Secretary of CWU until he suffered a surprise defeat in the union's elections last June. At elections held on June 7, last year, Mr. Clarke defeated Mr. Townsend by a margin of 988 to 802. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 16 Jun 84 p 1]

CSO: 3298/930

## INTERIOR MINISTER COMMENTS ON ECONOMIC SITUATION

Caracas EL UNIVERSAL in Spanish 21 May 84 p 1-12

[Interview with Minister of Interior Octavio Lepage, by Sofia and Carlos Rangel, on Venevision's "Buenos Dias"; date not given]

[Text] The impression in some sectors that the government is not acting with the speed, energy and consistency needed to face and solve the extremely serious crisis -- one far more profound than anyone had anticipated or thought -- is without grounds. And yet, the feeling continues to exist that the proper speed is not being used to handle this emergency situation, but it is based on Congress' slowness in passing the Finance Law. These are the thoughts of Octavio Lepage, minister of interior relations, who was interviewed on Venevision's "Buenos Dias" program by Sofia and Carlos Rangel.

[Question] All Venezuelans agree that the country is in an overall crisis that is dangerous and far-reaching. Given this fact, the feeling is beginning to emerge that, although motivated by good intentions, the new government is not acting with the speed or energy of consistency needed to meet a situation that is a grave emergency. Is that feeling unjustified?

[Answer] I believe it is. The crisis generated is much more profound than even we suspected. With every passing day, one realizes that all areas of the public administration were the victim of incredible neglect and suffered great deterioration. Perhaps the only valid part of the statement is that the impression does exist that we are not acting with the required speed. Now then, this is a regime with measures requiring the approval of Congress. I must personally tell you -- and this does not signify any criticism of Congress -- that it seems that they are very slow in passing the Finance Law because the purpose of using this constitutional possibility of special powers is justified because it makes it possible to pass the measures required by the crisis to save the country from the crisis with much greater speed. I would respectfully submit that it is time for Congress to proceed to pass the Finance Law with no further delay. We have a majority in the chambers, but parliamentary procedure first requires the action of the Finance Committee, which is where they have delayed far longer than necessary, in my opinion and without any wish to criticize the deputies, in debating the bill. Furthermore,

we are acting with energy and President Lusinchi, who is no bully or know-it-all, is a discreet man who prefers to keep a low profile. He has demonstrated great decisiveness when it is a matter of taking very hard measures. The government has also exhibited consistency. There are minor discrepancies, but basically speaking, this is a consistent government because we all agree on the policies that must be applied in order to emerge from the crisis slowly.

[Question] The perception that you are not responding to the crisis in the proper manner is in fact emerging and is based on statements such as the one you just made, that the crisis is not only serious, but much deeper and widespread than anyone could have suspected. Consequently, it is because of this obvious fact and this reiteration by the government itself that it has something very serious on its hands that the country wonders what is being done because 100 days have already gone by. This reference to the 100 days is necessary because in 1933, President Roosevelt managed to give his country a psychological boost, not by solving the problems in 100 days, of course, but within that short period of time, the United States regained its confidence, optimism and faith in itself as a nation. Do you believe this is occurring in Venezuela? Can one say that we Venezuelans are convinced that we have begun to do what we must in order to get out of the mess?

[Answer] I believe so. Naturally, we might perhaps accentuate our effort to make the country more aware. Of course, we must proceed very carefully because we must never run the risk that because we presented the picture of the crisis as it is to Venezuela, we might generate greater pessimism, a state of discouragement so great that the people believe that nothing more can be done, that we are beyond saving.

[Question] But there has to be salvation, there is salvation and the people want to know the path leading to that salvation.

[Answer] We must perhaps explain what has been done so far. The president presented the package of measures, the plan of austerity, and from the very beginning, gave as the top priority the renegotiation of the debt. This is the first indispensable step for regaining confidence and the country can then truly move ahead.

[Question] One first indispensable step not yet taken is the Finance Law and if that step takes three and a half months more, it does not seem logical when you tell us that the crisis is much more serious than one would have thought.

[Answer] One must not exaggerate things either; 100 days is nothing for a crisis. ("But to give the country a psychological boost, it is," Sofia said). I believe that that psychological boost has been given. When one talks with the people involved in production and they are optimistic, that shows that they think the government is making a serious effort. ("But they were more optimistic 3 months ago than they are now," said Carlos.) Well, that is true, especially because of people's usual expectations, but as time passes, one sees the difficulties. Many people supposed that by some miracle, by magic, we would manage to regain Venezuela's prestige, which was at an all-time low, erase the discredit of a delinquent debt which, the previous government, in its arrogant way, did not pay, while permitting itself those arrogant,

disagreeable gestures toward creditors. The very fact of having gradually regained the trust of the international financial world, which is once again ready to sit down and examine Venezuela's situation, the fact that this process is continuing and will lead to a satisfactory way out, is extraordinarily important.

[Question] But there persists a double language because the political world in general reacted indignantly when Venezuela's debts were labeled as "sub-standard." That is a forced technical mechanisms that American bank officials use when a debtor acts as Venezuela has done. ("Naturally," Lepage said.) Why do you not explain this to the country instead of saying that it is an insult and a slander?

[Answer] Every person can interpret things as he wishes, but the classification was the result of the profound discredit suffered by Venezuela through the fault of the previous government.

[Question] The governing party, the Democratic Action, has been in office for over 100 days. Has it met its responsibilities in this grave crisis? You yourself said in one controversy with Alejandro Izaguirre that there are in the AD leaders willing to take advantage of the natural difficulties of the government and we now, we see that there seems to be more interest in internal matters than in getting the Finance Law passed. That is a natural speculation.

[Answer] What is also happening is that those who are not active participants in the political struggle and who have always watched from the sidelines do not understand its dynamics. Politics is not a laboratory experiment. Human beings make politics and they have their reactions, their moods, impulses, passions, and if you view things in this fashion, you accept many things as normal. The fact that there is a need to take sides in city councils, well, in any party here and in the most civilized country, that unleashes a pitted struggle among candidates which then goes into the street. Now then, the statement of mine that there are leaders trying to capitalize on the discontent is true and I repeat it. It may bring me problems because one must alert not so much the country, but the AD's people so that they understand that the outcomes of internal processes such as the selection of lists for the councils and Congress invariably mean that some are chosen, while others equally deserving remain outside. To go whispering to the latter that they were the victims of intentional discrimination is criminal. In parties, such procedures have always led to splits, divisions and breaks because it stirs up the rancor of people, their lower passions, which is why we must avoid it. I believe that the Democratic Action has basically fulfilled its obligation and responsibility as the governing party. I also think -- and do not hesitate to say so -- that in the problem of party-government relations, Venezuela has never managed to establish standards, procedures that truly function in a fully satisfactory manner. We must try to have such procedures clarified and to establish a fluid, positive relationship between the government and the governing party.

[Question] Looking through the newspapers, we see that Octavio Lepage notes that the economic crisis might generate social disturbances. Alvarez Paz says

that we are entering a presubversive phase. Carlos Andres Perez states that if the country's leaders do not realize that we are in a historic crisis, we may "be surprised by unpleasant happenings." Such statements are the ones to which we were referring in saying that there is a growing feeling that the new government is not acting with the necessary energy, speed and coherence.

[Answer] That is a valid deduction. Every economic crisis contains the potential risk of unleashing disturbances if one does not act rapidly and properly to relieve its effects. We are fully aware of this and are acting accordingly.

[Question] What is implicit in these statements is that that awareness does not yet exist.

[Answer] No, no, that is not true. What we must do is awaken the country, open people's eyes so that Venezuelans do not grow impatient, so that they do not believe we can return to our old ways when money was squandered. Rather, this is a new phase, a historic phase, called the phase of post-petroleum Venezuela. This is not exactly true because oil continues to be our basic resources, but post-petroleum in the sense that if we do not change our way of thinking, our attitude toward life, we are in a bad way.

[Question] You do not agree that it is up to the government, it is the government that is responsible for revealing this fact to the country and for making the country realize it, experience it, feel it.

[Answer] You recall the speeches of Lusinchi ("Excellent," said Carlos) since he has been in Miraflores. ("But it is said that Lusinchi has said very relevant things, but that the government does not follow them," Carlos added.) It does not, that is true. We are coming back to the same thing. We first have to pass the Finance Law and renegotiate the public debt, especially the latter ("And that is not going well," said Carlos). No, it is not. It was both the discredit of the previous government, with its arrogant attitude as a delinquent debtor, which starts a laborious process. Who knows how many more months it will take because they do not trust us. They do not believe that we Venezuelans are capable of tightening our belts. They think that these austerity measures cannot be put into practice. The bankers think that and we cannot put a pistol to their heads and make them accept the renegotiation. We are convinced that we can tighten our belts, that we can apply austerity measures, that Venezuela is an honorable country ready to fulfill its commitments.

[Question] I know it is difficult to give a date, but when would it no longer be unacceptable, to put things in these terms? By when must we have the refinancing? What is the final deadline the government can set, beyond which it would be a failure?

[Answer] This is a process that will take a few months more, perhaps four or five months.

[Question] Do you think the debt will be refinanced for the first year of Lusinchi's administration?

[Answer] I believe so.



## COPEI SECRETARY ON DEBT RENEGOTIATION, OTHER ISSUES

Caracas EL NACIONAL in Spanish 22 May 84 p D-14

[Article by Elena Block]

[Text] Speaking for the COPEI [Social Christian Party] yesterday, Eduardo Fernandez stressed the importance of an immediate national consultation in order to define the strategy that Venezuela should follow in renegotiating its debt.

The secretary general of the COPEI said that his party thought there were positive elements enabling the country to complete bilateral renegotiating with international banks. However, for the time being, due to the government's lack of information on the matter, no one knows the current situation. "Perhaps joint action would be fitting with the other debtor nations, but the administration of Jaime Lusinchi should explain the real state of the problem."

Concerning modifications in the finance bill, Fernandez said that he is not yet acquainted with it, but that he hopes to have it today for the meeting of the National COPEI Committee. However, he explained that the reform of the bill reveals that the government did not draft it with sufficient care and caution because it did not foresee its unconstitutional aspects.

He emphasized the party-government discrepancies observed in the finance bill and in the proposed refinancing strategy.

Yesterday, the secretary general of the COPEI recorded several television programs and spoke with us during his breaks.

#### COPEI Supports Bilateral Negotiation

"We have always maintained that Venezuela has special characteristics because of its reliable foreign exchange revenue -- \$15 billion in oil receipts -- and because it is not asking for more money or additional loans. Rather, what it wants is time to renegotiate its foreign debt. Because of Venezuela's political democracy and the stability of its institutions, it could negotiate its debt within a bilateral framework."

Fernandez also said that there seem to be factors enabling us to negotiate on peremptory terms, quickly, recalling that this is the prerequisite for



any economic recovery. "Unfortunately, the new government, which projected the idea that it had the answers and concrete measures to be adopted as soon as it took power, has allowed the refinancing to be delayed too long and has asked for more moratoriums. This has worsened the situation of the Venezuelan foreign debt because it raised the price of money on the international market as a result of the absurd increase in interest rates. At this time, there is a multilateral framework of collective action.

"With the elements available to us," the COPEI leader said, "we thought that bilateral negotiations would be ideal. The government has not given us information on what proposals were made to place us within a framework of multilateral negotiations. We are very worried about the contradictions that are emerging within the government, because while the president of the Democratic Action, Gonzalo Barrios, seems very clearly to favor collective negotiation of our foreign debt, which position is also taken by former President Carlos Andres Perez, the government, without consulting its party, consulted with the opposition parties and resolved not to support the summons for multilateral action."

"And what is the position of the COPEI?"

"What the COPEI thinks is what I have just said, unless there are better elements for making a judgment, which to date have not been presented to us. The bilateral action was advisable in order to be able to renegotiate on peremptory terms, rapidly, so that we might revive our economy. Over three months have gone by since the new government took office and the country is not informed. We do not have enough information to know how negotiations are going. That is why we do not have enough grounds to know whether a correction or change in line is recommended."

Concerning the increase in the price of crude, Fernandez believes that it is symbolic: "I wish there were a major increase and I hope it is administered based on a shortage."

11,464  
CSO: 3348/439

## ADMINISTRATION'S POSITION ON DEBTORS' DECLARATION CRITICIZED

Caracas EL NACIONAL in Spanish 22 May 84 p D-8

[Article by Alba Sanchez]

[Text] Venezuela's failure to participate in the statement of Latin American debtor countries was widely commented on yesterday in parliamentary circles.

Deputy Abdon Vivas Teran, head of the COPEI group, spoke on behalf of his party, voicing concern over what he called "contradictions" among the highest government officials and top-ranking government party leaders. He specifically referred to statements by Foreign Minister Morales Paul, former President Carlos Andres Perez and Senator Gonzalo Barrios. He stressed that the reasons for the Venezuelan position have not been adequately explained and that the Social Christian Party is awaiting that information with great interest.

"We are willing to look at the government's arguments carefully and realistically and if the proposals are convincing, then we shall fully support them. What is important is to clarify contradictions at such a delicate level because even former President Perez has attributed the problem to a 'failure or omission' of the Foreign Ministry, which is very serious, not only because the foreign minister is the president's secretary in the conduct of foreign policy, but also because the issue has to do with a vital area, which is the renegotiation of the foreign debt."

He confirmed his support for the idea that the Venezuelan chief of state could sponsor a hemispheric meeting of presidents to analyze global implications of the continent's foreign debt, no longer as a diagnosis of a well-known ill, but to establish an overall flexible framework of reference enabling such countries to renegotiate their debt bilaterally.

"We believe that the problem is not one of establishing a debtor's club, since the conditions of every country are different, but rather, to replace that idea with one of the drafting of an overall economic policy for the renegotiation of the debt. This seems to us to be more fitting, necessary and viable and it would strengthen the options of all vis-a-vis international banks."

## MAS Deputy

For his part, MAS Deputy Teodoro Petkoff was amazed by the attitude of the government in not joining in the statement of debtor countries.

"The decision of the Foreign Ministry is astonishing when we are beginning to see joint action by debtors and when finally an idea for which we have worked, the idea of the debtors' club, is beginning to take shape. The foreign minister has made a grave error in stating that our country's presence in the group is not fitting because experience has shown that under the current conditions, Latin American countries cannot pay their debt and that the conditions must be reformulated, which reformulation can only emerge from joint, combined action by debtor nations vis-a-vis creditors. Persisting in this suicidal posture of negotiating separately, isolated from the others, can lead us into a blind alley."

Petkoff announced his willingness to ask Congress to challenge the foreign minister to explain "the reasons for this strange and unusual conduct." This request was granted by the Foreign Policy Committee of the Lower Chamber, as we have reported.

11,464  
CSO: 3348/439

- END -

**END OF**

**FICHE**

**DATE FILMED**

18 July 1984